

GRANTS-IN-AID TO EDUCATIONAL INSTITUTIONS IN INDIA

**Comparative Study of the Rules relating to grant-in-aid to Colleges of Arts
& Science, Secondary Schools, Middle Schools and Primary Schools)**

By
J. P. Naik



EDUCATION COMMISSION
GOVERNMENT OF INDIA
U.G.C. Building, Bahadur Shah Zafar Marg,
NEW DELHI

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EDUCATION COMMISSION
TASK FORCE ON EDUCATIONAL ADMINISTRATION

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This is the second paper in the study of private enterprise in Indian education which has been taken up in the Education Commission. Its object is to give a comparative picture of the system of grant-in-aid to private educational institutions as it now operates in all the States of the Indian Union.

2. Of the 16 States in the Indian Union, Nagaland has hardly any private educational institution. Of the remaining 15 States, all but one - Jammu & Kashmir - sent the information which was called for by the Commission. Some of these State Governments also sent their officers to Delhi to explain their system of grants-in-aid and to assist in the compilation of the final note which has been included in this study. The Commission is grateful to the State Governments and the officers concerned for all this valuable assistance.

3. Two alternatives were open in compiling these data. According to the first, the systems of grant-in-aid could be described according to types of institutions. For example, the system of grant-in-aid to Arts and Science Colleges could be described in one section for all the States; and so on for other types of institutions. According to the other, the entire system of grant-in-aid for all types of educational institutions could be described according to the States. For reasons of convenience, the second of these methods has been adopted here. The material is, however, presented in such a way that it will not be difficult to refer to the systems of grant-in-aid according to types of institutions, if so desired.

PROPOSALS FOR THE REFORM OF THE SYSTEM OF GRANT-IN-AID
TO EDUCATIONAL INSTITUTIONS IN INDIA

by
Shri J.P. NAIK

In this paper, I have included brief descriptive notes on the existing system of grants-in-aid to educational institutions in 14 States of the Indian Union. These form the basis of the general proposals for the reform of the grant-in-aid system which are proposed in this paper.

Problem No.1:

The first point that becomes obvious from a study of the rules of grant-in-aid is that some old systems of grants-in-aid have still continued to exist, in spite of the fact that conditions have so changed as to make them obsolete. For instance, take the system of capitation grants. This is still in force at the elementary stage in Maharashtra and Gujarat. It is also applicable to primary and middle schools in the Punjab.

The question that we have to consider is whether the system of capitation grants is really needed now. Historically, it was introduced at a time when expansion, and not quality, was the most important objective. At a stage, for instance, when we want to expand enrolments in primary education very rapidly, especially through the voluntary enterprise of the people, a system of capitation grants is found useful because it stimulates the managements to enrol as many children as possible. But once this stage is over, the system has hardly any advantages. On the other hand, its disadvantages are immense. For instance, the total number of pupils in a class cannot increase beyond a certain figure, say, 40 or 50. Under a system of capitation grants, therefore, the total grant-in-aid available for a class thus gets an upper limit. Under such a system it becomes very difficult if not impossible, to provide an adequate scale of pay to teachers for which the costs tend continually to rise year after year. It is true that this rising expenditure on teachers!

salaries can be met by increasing the per capita grant. But this would mean a revision of the capitation grants every year. In practice, this is impossible. In fact, once the capitation grants are fixed, they continue in force for years together.

The system of capitation grant was very popular in the 19th century. But it has now been abandoned in all parts of the world. It is, therefore, necessary that we should also abandon this system. In this context, it may be interesting to note the observations of the Indian Education Commission (1882) which made an exhaustive study of the systems of grant-in-aid. It pointed out that the system of capitation grants was then applicable only to girls' schools in Bengal. "The rate is four annas a head but the total grant must not exceed Rs.10 p.m. This system is in force only for those girls' schools which are attached to boys' schools and in which the teachers employed in the latter instruct girls at special hours in addition to their ordinary duties. The system may be useful in such cases, but is obviously unfitted for anything beyond what may be called the pioneer stage of education."

Problem No.2:

The second problem which becomes obvious from this study is related to or arises out of the reorganisation of States carried out in 1956. Under this reorganisation, areas from different States were brought together on a linguistic basis. To begin with, therefore, the systems of grant-in-aid in force in each area were also allowed to operate in the new State, on a temporary basis, even after the reorganisation; but the expectation was that very soon, each reorganised State would introduce a uniform system of grant-in-aid to all the educational institutions under its control. With a vigorous drive, it should have been possible to solve this problem in a short time; but although eight years have now passed since reorganisation, the grant-in-aid systems have not yet been

integrated and, in the same State, different systems of grant-in-aid are simultaneously in operation in different districts. For example, in Andhra Pradesh, only the systems of grant-in-aid to

colleges and secondary schools have been integrated; and, in other respects, different systems of grant-in-aid continue to operate in the Andhra and the Telangana areas. In Mysore, four or five different systems of grant-in-aid are allowed to operate in different parts of the State and an integrated system of grant-in-aid has been introduced for secondary schools only. Maharashtra and Gujarat also have not yet been able to evolve a uniform system of grant-in-aid for all the different areas that have now been merged in them.

It is, therefore, recommended that this problem should be taken up in earnest and before the end of the Third Five Year Plan, an integrated and uniform system of grant-in-aid should be brought into operation in each State.

Problem No.3:

The third question that arises is this: Should the system of grant-in-aid be the same for all types of educational institutions, or should it vary from ^{one} type of educational institution to another?

For instance, the system in Madhya Pradesh falls in the first category. Here, grants-in-aid are given at the same rate (75 per cent of the total approved expenditure, or the net deficit, whichever is less) to all types of educational institutions - from Arts and Science Colleges at one end to schools for dumb and deaf children at the other. On the other hand, the system that prevails in Maharashtra falls into the second category. Here, the grants-in-aid to colleges are given on one basis. In respect of secondary schools, a different system prevails; and there a third system is adopted for giving grant-in-aid to primary schools.

It appears, prima facie, that it is not a very convenient thing to provide the same system of grant-in-aid for all types of educational institutions. The needs and requirements of different types of educational institutions vary considerably. It would, therefore, be better to design a separate system of grants for separate types of educational institutions; although certain basic ideas and principles would be common to all. This is a problem, however, which the Conference may examine and make a suitable recommendation.

Problem No. 4

The fourth problem to be considered is this: Should the total expenditure of an educational institution be taken together for the purpose of grant-in-aid or should the expenditure on salaries and allowances of staff (teaching as well as non-teaching) which would, hereinafter be referred to as 'teacher costs' and all other contingent expenditure, hereinafter referred to as the 'non-teacher' costs, be considered separately?

The system in U.P., for example, is of the first type: It does not make any distinction between the expenditure on staff and the non-teacher costs. Here, the total expenditure of the institution is considered as one and a grant-in-aid is calculated on this total. In Andhra Pradesh, on the other hand, the expenditure on the salaries and allowances of staff is treated separately and is aided on a 100 per cent basis and the expenditure on non-teacher costs is given a lower priority and is aided differently.

Prima facie it appears that it would be desirable to divide the total expenditure of a school into two parts - teacher costs and non-teacher costs. In the teacher costs, we should include all expenditure on salaries and allowances of the staff (both teaching and non-teaching) and aid it on a liberal basis. The objective should be to create a situation where the management will have no reason to think of economising

in staff, or for under-paying teachers, or for employing persons with lower qualifications. In effect, this becomes a salary-grant system. As early as 1882, the Indian Education Commission pointed out that this was probably a very good system of grant-in-aid and stated the advantages in the following terms:-

"457. The Salary-grant System: its Advantages: The advantages of this system are numerous. It tends to ensure efficiency by inducing managers to employ teachers who have proved by success at an examination that they have acquired a certain amount of knowledge and some fitness for imparting it to others.. It is likely, in course of time, to provide a body of thoroughly trained teachers and to secure that ultimately the great and important work of education will not be left to men incompetent to perform it. Years must still pass before it can be hoped that all teachers shall be trained or certificated, but year by year, under the influence of the system steady progress is being made towards this most desirable end. Again, the system leaves the greatest freedom to managers as regards the choice of text-books and all other points in the internal economy of schools, and so supplies a strong inducement to private educational effort. If the system is properly administered, the schools under it have the fullest scope for free development. There is a minimum of departmental interference. The Inspector simply has to see that the pupils are well taught, that they know what they profess to know, that their general intelligence is cultivated, and that the discipline is good. Under this system, too, there is little danger of information being confounded with education. Neither teachers nor pupils are compelled to work under high pressure to prepare for examination, nor are they tempted to give their main attention to getting up the special points that are most likely to be noticed by the Inspector on his visit. It removes also any opposition of interests between managers and the Department. Under it, the only interest of both alike is that the school should be improved and should prosper. The Inspector is not predisposed by any desire for economy to take an unfavourable view of the condition of the school, since the grant it will receive does not directly depend on the judgment that he passes. The system also provides in a natural and easy manner for the growth of institutions. If managers wish to open an additional class and the Department is convinced that it is really needed, a duly certificated teacher is employed, and an additional grant on his salary is bestowed. The system tends also to give stability to an institution; since the grant depends upon the quality of the staff, and not on the number of pupils or their success at examinations, which even in the very best schools fluctuate considerably from year to year."

When no distinction is made between teacher costs and non-teacher costs and the total expenditure of a school is treated as one, two disadvantages result. The first is that there is often a tendency to economise on teachers and spend on the other items which, for some reason or the other, become

inescapable. This is an illustration of what Oscar Wilde once said: "Give me the luxuries, and I will do away with the necessities". The second disadvantage is that it is very difficult to define precisely the admissible or approved expenditure in non-teacher costs. Here the expenditure is incurred on a very large number of items and, in order to control it, detailed rules, which often run into several pages, have to be framed. In spite of them, there is very often a difference of opinion, between the Department and the private management, about the desirability or otherwise of several items of expenditure. A good deal of correspondence and heartburning takes place about what is to be approved or not to be approved. It is, therefore, felt that the system of grant-in-aid is greatly simplified if we can separate the teacher costs and calculate the grant on them separately and treat all other expenditure - the non-teacher costs - as one and deal with it on some ad hoc basis. For instance, in Andhra Pradesh, in giving grants to middle schools, the grant-in-aid on salaries of staff is given on a 100 per cent basis. For all non-teacher costs, a limit of 12 per cent of the salary grant has been prescribed. The management can incur expenditure upto this limit and get full grant-in-aid. If this limit is exceeded, no grant-in-aid is given for the excess of expenditure. A system of this type gives a great latitude to the management and also simplifies the administrative procedures for sanctioning grants-in-aid.

It is, therefore, recommended that, in the new system of grant-in-aid to be framed, the following should be the general basis:-

- (1) The teacher costs and the non-teacher costs should be treated separately.
- (2) It is very easy to calculate grant-in-aid for teacher costs. The number of teachers required can be fixed on the basis of enrolments and curricula provided and

the scales of pay and allowances can also be laid down

(These should be the same as in government institutions).

- (3) For all non-teacher costs, there should be only an upper limit prescribed in terms of a certain proportion of the expenditure on teacher costs. This will naturally vary from one type of an institution to another; but it will be fairly easy to define it precisely. Within such an upper limit, the management should have discretion to incur expenditure in such manner as it likes.
- (4) The grant-in-aid for salaries should be so designed that the management will not have any temptation to economise on staff.
- (5) The grant-in-aid on account of non-teacher costs may be assigned a lower priority. In fact, the management may be left to shoulder a much larger proportion of the financial burden in respect of the non-teacher costs rather than in the case of teacher costs. In this context, the Assam system is very interesting. It gives 100 per cent grant on salaries. For contingent expenditure, the management is expected to manage everything within 15 per cent of the fees. In Andhra Pradesh, the grant-in-aid for non-teacher costs is given at a flat rate based on the salary grant and the management is expected to find additional funds if required. Either of these systems would serve the purpose.

Problem No.5:

Another important problem, which arises in this context, may be stated thus: should the rate of grant-in-aid to be given to a type of educational institutions be the same for all institutions in the category irrespective of their standards, or should it vary from institution to institution, on the basis of the standards which they maintain?

There are three different practices which now obtain in this regard:

- (1) The simplest and the most common system is to give grants-in-aid at the same rate for all institutions in a given category irrespective of the standards which they maintain. For instance, the grant-in-aid to colleges in Andhra Pradesh is given on the same basis to all colleges - from the best to the worst.
- (2) The second system is a slightly modified form of the above. Under this system, the rate of grant-in-aid is the same for all types of institutions in a given category. But penal cuts in grant-in-aid are made for certain reasons, such as very low results in examinations. This system obtains in Maharashtra in respect of secondary schools. Briefly, it may be said that, under this system, all institutions get the same rate of grant-in-aid; but in cases of very poor standards, certain cuts are liable to apply.
- (3) The third system is the daring experiment in Rajasthan. Here, institutions are graded into different categories - D, C, B, A and Special. Criteria for each of these categories are laid down. There is a high-level Grant-in-Aid Committee which fixes the category of each institution. The rate of grant-in-aid to be given to an institution depends upon its classification. For example, institutions in D category get 50 per cent of the approved expenditure. Institutions in A category get 80 per cent of the approved expenditure. Institutions which have been classified as 'Special' get grant-in-aid at 90 per cent of the approved expenditure.

The difficulties of grading schools are obvious. But, I am afraid, we are running away from this problem and adopting a flat rate system of grant-in-aid for all institutions. This makes the schools stagnate and does not provide any inducement for raising standards. It may, therefore, be desirable to evolve a system of grant-in-aid which would have three elements: (i) a flat rate of grant-in-aid for maintenance

of the average standard; (ii) a system of bonuses for maintenance of high standards or experimental work or pioneer activities; and (iii) a system of penal cuts for failures or fall in standards. The Conference may consider how this may be done.

In this context, special attention should be given to the scheme of 'Sponsored Institutions' which has been introduced by the Government of West Bengal. Certain institutions of long standing which maintain good standards are selected as 'sponsored' institutions. The general principle is that the State Government meets the entire deficit of a sponsored institution. In other words, a sponsored institution is freed from all its financial worries through a proper system of grant-in-aid and yet it has all the necessary freedom of a voluntary organisation for experimentation and development. This idea needs further exploration and adoption by other State Governments.

Problem No.6

It will be found that in several areas, there is still the system of ad-hoc and arbitrary grants. The grants to colleges in Punjab, for instance, are arbitrary and ad-hoc. They are also not certain and vary largely from year to year. There may be cuts in any given year without any previous intimation to the management and for no fault of the management. Such a system is not really very happy.

It is obvious that, whatever system of grant-in-aid is designed, it should be based on equitable principles which are known to all concerned. Secondly, the management must be assured of the grant-in-aid according to the rules and there should be no arbitrary cuts, especially when there is no default on their part. It is, therefore, recommended that the system of ad-hoc grants; whatever it exists, should be done away with it and be replaced by systematic grants on equitable principles.

Problem No.7

Another important point that comes to light in the study is that, in several areas, there is a system under which no grant-in-aid

is given to a private educational institution initially for a few years. For instance, a new college started in Punjab will have to wait for quite a few years before it is brought on the grant-in-aid list. New colleges started in Uttar Pradesh do not generally get a grant-in-aid for the first three years. Probably the worst example of this type is Orissa. Under the grant-in-aid system to the secondary schools in Orissa (in coastal districts), where the high school begins in class VIII, no grant-in-aid is given in the formative period of four years i.e., till it opens class XI. Thereafter, it will get a token grant of Rs.75 per month for a further period of three years. It is only from the eighth year of its existence that the school will get full grant-in-aid under the rules.

The question to be discussed is whether such system is good and desirable. Its justification is three-fold: In the first place it discourages the opening of new schools. In areas or sectors where expansion is to be controlled, this may be one of the methods to be adopted. Secondly it tests the vitality of an institution before public funds are allocated to it through grant-in-aid. Thirdly - and this is the most important argument - to mention an educational institution for few years it is said that the people are generally willing/in the beginning. Later on, their enthusiasm declines and it is at this stage that the State should come in with its offer of grant-in-aid.

→ (The disadvantages of this system are also very great. It is in the initial stages that an educational institution is in the greatest need of assistance; and under this system, it is exactly at this stage that assistance is denied to it. Secondly, in the early years of hard struggle, all kinds of staff gathers together. Generally it is the weakest staff, which is prepared to work on starvation basis, which joins the school and sticks to it in the first few years. Later on, more plentiful resources become available due to grant-in-aid; but to the human consideration of sacrifice and seniority which comes in the way, the school continues with the third-grade staff even when

its financial situation enables it to get better teachers.

It is felt that this system was probably purely financial in origin and that its educational consequences have been disastrous. It is, therefore, recommended that this system should be done away with. If the Department feels that a certain institution is not needed, it should remain firm and refuse its recognition. There is no point in recognising any institution and allowing it to exist on some marginal standards for a number of years and in permanently degrading its future growth and efficiency.

Problem No.8

The question of fees is very important in dealing with private educational institutions. In fact, the only three sources of finance which private institutions can command are: (1) fees, (2) endowments; and (3) other sources, which include donations and contributions. By and large, the amount which can be raised through donations and contributions is fading out. The endowments are extremely few. The main source of independent income for voluntary organisations, therefore, is fees.

It is felt that the voluntary organisations should have a good deal of freedom to raise additional revenue through fees and to utilise the proceeds for improvement of standards. It has to be remembered that the private organisations are in a better position to raise money through fees than government. In the years to come, one way of getting larger resources for education, through those persons who benefit directly from educational facilities provided, is to raise fees. I, therefore, strongly feel that the grant-in-aid rules should provide some freedom to voluntary organisations for raising fees. In Assam, for instance, the voluntary organisations can increase fees upto a limit of 50 per cent above the

prescribed fees, with the prior approval of the Department. The same rule ~~also~~ obtains in West Bengal. Some such freedom will have to be provided for in all States.

Problem No.9

In all the existing rules, there is a distinction made between grants for maintenance or recurring expenditure and grants for capital outlay for equipment and buildings. By and large, the general principle is that maintenance grants have a priority on the funds available. Equipment and building grants are given generally at a lower rate and according to the availability of funds.

One pattern of expenditure is now becoming evident. The public is finding it more and more difficult to contribute to the recurring expenditure of private educational institutions. There is, however, a great readiness even now to contribute to non-recurring expenditure. For instance, there are examples of villages or towns which will give any amount from Rs.5,000 to Rs. 50,000 for a middle school or a high school. People have collected lakhs of rupees for the establishment of a college. But this is the result of one supreme effort and it can be of help for non-recurring expenditure only. Even a town which has collected Rs. 50,000 for a high school building will not find it easy to collect Rs.500 a year for maintenance. I, therefore, feel that the general policy to be adopted in framing grant-in-aid rules should be this: the entire recurring expenditure of an educational institution should be met through (1) grants; (2) fees (enhanced to some extent, if necessary); and (3) endowments, if any. The contribution from other sources i.e. through donations and subscriptions should be expected only for non-recurring expenditure and its extent of contribution may vary from 25 to 75 per cent.

Problem No. 10:

The teachers in private schools have the same

qualifications as teachers in Government schools. They have the same type of work and the same responsibilities. It, therefore, follows that they should also have equality in remuneration, old-age benefits, security of service and privileges.

At present, parity of remuneration is accepted in principle and implemented in most States. In Kerala, the only difference between the Government teachers and private teachers is that the former get a house-rent allowance of Rs.7 which the latter do not. In U.P. and Bihar, there is a difference in the dearness allowance paid to teachers in Government service and in private schools. In West Bengal, the scale of pay of non-Government teachers is a little lower than in Government schools. In Orissa, there is a difference, although small, between the scale of pay and dearness allowance paid to Government teachers and teachers in private schools. In so far as old-age benefits are concerned, teachers in private schools generally get only a provident fund; and sometimes not even that. It is only in a few States like Madras, Kerala, Mysore and Andhra Pradesh that the Triple Benefit Scheme has been introduced.

In all grant-in-aid rules to be framed hereafter, parity of remuneration between Government and private school teachers should be assumed. Similarly, the teachers in private schools should be given the same benefits as in Government schools, and for that purpose, pension funds should be established in every State. The details of the scheme can be easily worked out, once the principle is agreed to.

There is also considerable difference in the security of service between Government institutions and private institutions. Some steps will have to be taken to see that teachers in private schools are properly selected and that they have a fair security of service. The necessary legislation for this purpose should form an integral part of the

Grant-in-Aid Code. At present, the position in this regard varies from State to State. It is necessary to decide and adopt a uniform policy in this regard in all the States.

There is one privilege which the private school teachers have at present and teachers in Government schools do not, namely, the right to contest elections to Central and State legislatures and local bodies. There is a strong feeling that this privilege of the private school teachers should also be taken away. This problem has been raised in detail in another paper circulated for this Conference. It is, therefore, not necessary to go into its details at this pace. One thing, however, may be stated: the private school teachers would not mind losing this privilege if they are given perfect equality with Government teachers in so far as remuneration and old-age benefits are concerned.

Problem No. 11

Another point which has to be discussed relates to the difference between institutions which charge fees and those which do not.

In the case of institutions which do not charge fees, e.g., primary or middle schools, the best form of grant-in-aid would be 100 per cent on salaries of staff plus a certain percentage of the salary grant for contingencies.

In the case of institutions which charge fees, the best form of grant-in-aid would be 100 percent of salaries on staff plus a certain percentage of the salary grant for contingent expenditure, minus income from fees at prescribed rates (with permission to increase expenditure by raising fees to a certain maximum limit and with the prior approval of government).

Whether these proposals - or any modified form of them - is accepted or not, one thing is clear: a distinction will have to be made between private institutions which do not charge fees and those which do, in so far as grants-in-aid are concerned.

Problem No.12

A study of the grant-in-aid system in Madhya Pradesh raises an important point. It will readily be agreed that the system of grant-in-aid should be such as would induce the management to economise in expenditure (where such economy is feasible) and to raise more funds through non-governmental sources. Under the Madhya Pradesh system, the result is exactly the opposite - the schools tend to increase expenditure and to reduce collections. This is because, while defining deficit of the institutions, all their income is taken into consideration, including fees and private collections. If a private institution collects large amounts, the only result is that its grant-in-aid is reduced. Nor will the private institutions try to economise in expenditure because the only result of such an effort will be to reduce the grant-in-aid. It is, therefore, obvious that, while calculating grant-in-aid, we should take no notice of the donations raised by the organisation. On the other hand, we should stimulate them through a proper system of assistance.

Problem No.13

One more point has to be raised. It is felt that there should be a general rule to the effect that the grant-in-aid per pupil to be given to any private educational institution should not exceed the cost per pupil in government institutions of a similar type. In other words, the grant-in-aid to any institution should not exceed the amount which government would have spent had the student concerned attended a government school or had that institution itself been taken over under direct government control. This principle is not always observed. In giving grants-in-aid, we see to it that the institution does not make a profit, that is to say, the grant-in-aid plus income is not greater than the expenditure. But we do not calculate the grant-in-aid per pupil and compare it with the cost per pupil in government institutions of a similar type. This will have to

be done in the grant-in-aid system of tomorrow.

Problem No.14

Very often the attitude underlying the grant-in-aid system is one of allowing private enterprise to live on sufferance. Such a policy is hardly justified. In the grant-in-aid system of tomorrow, private enterprise in education would have to be given its due share. From this point of view, the following statements may be made:

(1) Private enterprise has played a very significant role in education. It has also a significant role to play in future. The grant-in-aid system has, therefore, to be revised now in such a way that private enterprise will have adequate scope and the necessary financial assistance, without losing its basic freedom for experimentation and development.

(2) It may also be pointed out that, even if the entire recurring deficit of the voluntary organisations is met by the State, the private institutions will still make a very important contribution: through the managerial skill which they will bring to bear on the problem, through maintenance of higher standards, through tapping of non-governmental financial resources; and through providing an independent centre of authority and action which they will provide and which is so very essential for a democratic development of education.

(3) Private enterprise controls most of the secondary and collegiate education. To neglect private enterprise, therefore, is to neglect secondary and higher education.

Suggestions for Work:

It is suggested that the conference may first discuss the general problems which have been raised above and such other problems as might be raised by the participants. After the general principles have been discussed and finalised, the conference may break up into three separate groups: (1) a group for grants-in-aid to higher education;

(2) a group for grants-in-aid to secondary schools; and (3) a group for grants-in-aid to elementary schools. Each group may prepare the draft outline of a new system of grant-in-aid which all the States may consider for adoption. The reports of the groups may then be considered and adopted with such changes as may be considered necessary by the conference.

J.P. NAIK

REPORT OF D.S. REDDI COMMITTEE ON GRANT-IN-AID
RULES IN ANDHRA PRADESH

As many representations had been made to Government by the Managements of the Affiliated Colleges and by the members of the staff working in these Colleges of the increasing financial difficulties which they were facing in running the Colleges and that, therefore, there should be an early revision of the existing Grant-in-Aid rules. A Committee consisting of Dr. D.S. Reddi, Vice-Chancellor, Shri L.N. Gupta, Special Secretary to Government, Education, Shri M.A. Abbasi, Finance Secretary and Dr. V.G. Vaman Rao, Director of Public Instruction was appointed. The Committee was instructed to go through the written representations made by the managements and also to meet Correspondents and Principals of Aided Colleges and elicit their views before making its recommendations.

The Committee held two meetings. At its first meeting held on May 21, 1963, the Committee had some preliminary discussions on the representations made by the managements of Aided Colleges and also the present and future financial commitments to the State Government. Before taking up the case for detailed scrutiny, the Committee felt it necessary to elicit the views of representatives of a few Aided Colleges in regard to their difficulties encountered by the managements and in regard to the service conditions of the collegiate staff in Affiliated Colleges under aided managements. Accordingly the Committee invited the following correspondents and Principals of Aided Colleges to express their views.

Correspondents:

- | | |
|-----------------------------|--------------------------------------|
| 1. Dr. N. Ramlal | ... Maharaja's College, Vizianagaram |
| 2. Sri D. Ramachandra Reddy | ... Kavali College, Kavali |
| 3. Dr. G.S. Melkote | ... New Science College, Hyderabad |

Principals:

- | | |
|--------------------------|------------------------------------|
| 1. Sri D.S. Subrahmanyam | ... Sri C.R. Reddy College, Eluru |
| 2. " C. Sundarshan | ... New Science College, Hyderabad |

3. Sri C.V. Ramakrishna Rao

... Nanakram Bhagwandas Science
College, Hyderabad.

4. Dr. Satwalekar

... Vivek Vardhini College,
Hyderabad.

At its Second meeting held on 6.6.63, the Committee interviewed these Correspondents and Principals and took their evidence.

The consensus of opinion of the Principals as well as Correspondents was that unless the grant-in-aid rules were immediately liberalised, it would be impossible for the managements to continue to shoulder their responsibility for running the Colleges under their control with any degree of efficiency. They draw the attention of the Committee to the undeniable fact that private philanthropy was no longer contributing towards the establishment and maintenance of educational institutions in the same manner and to the same extent as before. Quite apart from the increased cost of living and increased burden of taxation which have affected the capacity of private individuals and organizations to make donations to educational institutions there are also now many competitive claims on the generosity of the public. Besides this the cost of construction and of articles of equipment has increased several hundred fold that private generosity is no longer able to meet the recurring and non-recurring demands of Colleges. For this reason the managements of private Colleges have to depend exclusively on the fee income so far as the recurring expenditure is concerned and to a certain extent in regard to non-recurring expenditure.

Besides these general considerations, the recent reforms in the general pattern of degree courses have also contributed to the difficulties of managements. The introduction of the 3-year Intermediate and 2-year degree courses had led to a considerable reduction in the strength of the Colleges. Prior to these reforms private managements were depending largely on the fee income which they derived from the junior and senior Intermediate classes, whereas under the new pattern

their Intermediate income has been halved as the duration of the P.U.C. class is only for one year. While prior to these reforms any surplus which the managements were able to secure from the Intermediate classes was used to meet the expenditure on the two degree classes they have now to maintain three degree classes out of the surplus derived from one class. The integration of professional courses has further reduced their strength and income.

There has also been another reform which the University have imposed on managements in order to improve the quality of teaching by reducing the teacher-pupil ratio. The strength of sections which used to range from 100 to 120 have now been limited to 60 to 80. In addition, the revised courses of study in the P.U.C. and more particularly in the degree classes include new subjects which did not find a place in the old as, for example, the teaching of General Science for students of Humanities and of Social Studies for students taking the Sciences and General Education in the Degree classes. To provide a more varied pattern in University education many new optional subjects have also been introduced. All these reforms entail additional class room accommodation, equipment, Library and Laboratory facilities on the non-recurring side and additional teachers on the recurring side.

The introduction of U.G.C. scales of pay which in the earlier years was optional and now has been made compulsory, has considerably increased the financial burden of the managements.

At the mounting deficit which most managements had to face for the reasons indicated above has assumed serious proportions, the managements have represented that unless the Government came to their rescue, the managements would have to close their institutions or hand them over to Government as has been done recently in many cases. The only source of income that the managements can count is that from the fees and it has been urged that any enhancement of fees would arouse public resentment. It was, further urged by the managements that if Government

were compelled to take over the management of Affiliated Colleges, their liabilities would be greatly increased and that it would be more economical for Government to permit private managements to continue to run the Colleges.

The Committee noted that this argument was valid. The per capita expenditure in Government institutions on each student in the Andhra and Telangana area is Rs.310 and 560 respectively while the corresponding figures for the Affiliated College is 226 and 195 respectively. The Committee wishes to place on record that efficiency, judged both by the quality of instruction as well as the quality of administration in the Affiliated Colleges is in no way inferior to the standards maintained in Constituent as well as Government institutions. In fact, in many cases some of the Aided Affiliated Colleges have justifiably secured a reputation for superior efficiency. It would therefore not be in the interest of the State if the contribution made by private managements to the cause of higher education is reduced in its scope as may happen if the needed assistance is not forthcoming. Many rural and remote areas are now enjoying the benefit of higher education largely owing to the initiative taken by individuals or associations in establishing Colleges. If provision of higher educational facilities were to be left entirely to the initiative of the State the progress would have been very slow. Even in regard to the construction of buildings greater problems have been achieved through private initiative as is inevitable than through Government agency.

One other reason which the Committee took note for liberalising the grant-in-aid rules is the fact admitted by the witnesses though difficult to prove that the necessity to make both ends meet has driven some of the smaller managements to evasions and malpractices as, for example, obtaining acquittances from teachers for higher amounts than what has actually been disbursed to them. If some relief is not given the scope for these malpractices will be greatly increased.

It was also urged that Colleges which were established after the introduction of the 3-year degree course have been denied assistance from the U.G.C. This limitation has imposed a severe handicap on a large number of Colleges which have been established recently. Other factors of minor importance which have caused difficulties were also brought to the notice of the Committee. They are the ban imposed by the Department against the diversion of special fee funds for any purpose other than the object for which the fee was levied, even though the diversion was intended to improve the buildings, the library or the equipment of the College. It was pointed out that while generally a rule of this kind would discourage managements from levying unnecessarily high special fees, the rigid ban now imposed would only encourage improvidence or wasteful use of surpluses.

There have also been complaints regarding the Audit conducted by the Department of Public Instruction. Though the complaint that the Audit reports are at present being communicated to the managements after considerable delay does not appear to be correct, it has been stated that in many cases the managements were not informed of the reasons why expenditure on certain items had been objected to and disallowed. As the Department has not issued a comprehensive circular for the guidance of the managements as to the items and the quantum of expenditure that would be admitted the managements are not able to adjust their expenditure within the prescribed limits or make representations for the relaxation of these limits in special circumstances. Some flexibility in this regard is also necessary as the conditions in each Affiliated Colleges vary considerably. Under the existing rules many items of expenditure which are necessary are now excluded from the purview of grant as, for example, the affiliation fee paid to the University, the managements' contribution to the teachers Provident Fund, travelling allowances to the members of the staff who attend Conferences convened by

the University and by other bodies, advertisement charges, expenditure on petty construction and repairs, educational tours, legal expenses are all items of expenditure which under the existing rules are excluded from the assessment of grants.

Provisions of Grant-in-aid to Colleges under the Present Code:

Prior to the formation of Andhra Pradesh, Aided Colleges in erstwhile Andhra State (i.e. the present Andhra Region of Andhra Pradesh) were governed by the Grant-in-Aid Code of erstwhile Composite Madras State. Aided Colleges in the present Telangana Region were governed by a procedure laid down by the erstwhile Hyderabad Government. The provisions under the respective procedures are as follows:

ANDHRA AREA:

Recurring Grants:

- | | |
|---|--------------------------|
| 1. Teaching grant | .. 2/3rd of net deficit. |
| 2. Grant on D.A. | .. 50% |
| 3. Grant on loss of fee income due to Rule 92 M. E.R. | .. 100% |
| 4. Grant on loss of fee income under Rule 31 of the Grant-in-Aid Code. The fee concessions under this Rule shall be limited to 10% of the fees at standard rates. | .. 50% |

Non-recurring grants:

College Buildings - 50% subject to a ceiling of Rs.75,000/-
Hostel Buildings -do-
Equipment: - 50% subject to a ceiling of Rs.10,000/-

TELANGANA AREA:

Recurring Grants:

On half of the approved net cost of maintenance for the previous financial year i.e. half the excess of the approved expenditure over the income from tuition fees reckoned at standard rates subject to a ceiling of Rs.40,000/- p.a.

Non-recurring grants:

There was no provision for the payment of building and equipment grants as such.

With effect from 1958-59, the provisions of Andhra Grant-in-Aid Code have been extended to Colleges situated in Telangana region also. By this measure, the Colleges in Telangana region secured the following advantages:

(1) The ceiling of Rs.40,000/- was lifted and the Colleges could get 2/3rds of the net cost as teaching grant without limit.

(2) Formerly, there was no separate provision for building and equipment grants and all such items of expenditure were included within the ceiling grant of Rs.40,000/-. Now the Colleges can get building and equipment grants separately.

It may be mentioned in this connection that at the request of colleges teaching grant is paid in advance on submission of financial statements even before the accounts are audited and such advance grant is limited to 75% of the grant paid for the previous year.

During the Second Plan period, the State Government adopted a special procedure of payment of Ad-hoc grants to Colleges in Telangana region just to help the managements to put up accommodation and equipment in time without much difficulty. The grant thus paid towards accommodation and equipment was about Rs.1,00,000/- for College. This procedure of payment of ad hoc grant is now extended to new Colleges throughout the State but to a small degree i.e. about Rs.20,000/- for each new College. The object is to render some financial assistance in the initial stage when it is most needed.

Teaching grant to Colleges which is really the main recurring grant to Colleges is paid on the basis of the deficit with reference to standard rates of fees prescribed for Colleges, which are lower than the actual rates at which fees are collected by managements. In Andhra area, the standard rates of fees are as follows:

P.U.C.	Rs.30/- per term.
Pass Degree Course	.. Rs.40/- per term.

are taken as the standard rates:

P.U.C. ... Rs.35/- per term.
Pass Degree Course.. Rs.40/- per term.

While extending the provisions of Andhra Grant-in-Aid Code to Colleges in Telangana Region, it was decided to adopt the Osmania University rates as standard rates in Telangana Colleges for grant-in-aid purposes till they are brought on a par with the standard in Andhra region. It may be observed in this connection that while the standard rates in Andhra region have remained unchanged, the Osmania University rates have undergone two changes in a short duration as indicated below:

P.U.C. ... Rs.22/- during 1958-59
Rs.28/- from 1959-60
Rs.35/- from 1961-62

Degree Course: Rs.27/- during 1958-59
Rs.35/- from 1959-60
Rs.40/- from 1961-62

Under the grant-in-aid code now in vogue throughout the State, there is specific indication of admissibility of otherwise of various items of expenditure in respect of Colleges. The items of expenditure normally admitted or objected to in audit are listed out below:

Items of expenditure normally incurred by the managements of Aided Colleges.	Whether admitted or not.

1. Staff Pay.	Admitted.
2. Staff Dearness Allowance.	"
3. Rents on buildings not owned by Colleges.	"
4. Taxes on buildings.	"
5. Minor repairs to buildings and repairs to furniture.	Admitted upto a maximum of Rs.2,000/-.
6. Stationery and Printing for Office.	Admitted.
7. Postage, telegram and Phone.	"
8. Livery to Peons.	"

9. Advertisement charges for inviting applications for staff.	Admitted
10. Electricity charges.	Admitted upto 750/-.
11. Water charges.	"
12. Sanitary expenses.	"
13. Departmental Audit fee.	"
14. Lights to Watchman.	"
15. Text-Books for use of teachers.	"
16. Outlay items that are specially permitted by the D.P.I.	"
17. 50% loss of fee income on account of concessions under Rule 31 of the Grant-in-Aid Code.	"
18. Construction of new buildings.	Not admitted as grants are sanctioned on these items under Chapters IX & X of G.I.A. Code.
19. Scientific apparatus met from management funds.	
20. Books for Library met from Management funds.	
21. Management's contribution to Teachers' Provident Fund.	Not admitted.
22. Travelling Allowance to Staff.	"
23. Pooja expenses.	"
24. Bank charges.	"
25. Legal expenses.	"
26. Affiliation fees to Universities.	"
27. Educational tours.	"
28. Presents to menials.	"
29. Internal Audit fees.	"
30. Reception charges to V.I.Ps. etc.	"

While all affiliated colleges under the various managements are required to fulfil the same conditions stipulated by the Universities, it may be observed that certain items of expenditure necessarily incurred in Government Colleges are disallowed for purposes of grant in Aided Colleges. While the teaching grant paid to Aided Colleges is substantial help in the maintenance of Colleges, Government grants on non-recurring

Items of buildings and equipment are definitely meagre when compared to the actual commitments for the fulfilment of the conditions of affiliation. On a modest estimate, a College with a strength of 1,000 with provision for teaching of Humanities and Science requires buildings worth about Rs.10 lakhs for lecture halls, administrative block, laboratories and library and also a Hostel block worth about Rs.6 lakhs (to accommodate at least 200 students) but, the Government grant payable is subject to a ceiling of Rs.75,000/- for College buildings and another Rs.75,000/- for hostel block.

Position of Colleges prior to the introduction of P.U.C. and 3 Year Degree Courses:

Prior to the introduction of the new reform of collegiate education, colleges had classes in the 2-year Intermediate course and 2 year Degree course. The strength in the 2 years Intermediate course was normally large enough to enable the Colleges to maintain themselves with fee income and the grant paid by Government. In view of the large numbers, slight increase in rates of tuition fees helped the Colleges to make up for any normal deficit. Till the introduction of the new reform of collegiate education, the colleges did not find any need to approach the Government for liberalising grant-in-aid provisions.

Position of Colleges during the period of implementation of the new reforms of collegiate education.

In Andhra Pradesh, the Osmania University first took up the implementation of the new reform by introducing the P.U.C. during 1956-57 and the first year of 3 Y.D.C. during 1957-58. The Andhra and S.V. Universities took up the implementation of the new reform a year later i.e. P.U.C. during 1957-58 and the first year of the 3 Y.D.C. during 1958-59. The Government of India by a special scheme of financial assistance helped the Colleges in implementing the new reform. Under this centrally sponsored scheme, ceiling were fixed for additional

recurring and non-recurring items of expenditure required for implementing the reforms in respect of each category of institution, i.e. Arts, Sciences and combined Arts and Sciences and it was made incumbent upon the agencies concerned to share the additional expenditure as indicated below:

Central Government	...	50%
State Government	...	25%
Private management.	...	25%

This scheme was confined only to Colleges that were in existence prior to the introduction of the new reform. A statement is enclosed indicating the Colleges which came under the purview of the scheme and to what extent the colleges were rendered financial assistance.

The Colleges which came into existence subsequently were not given any such special financial assistance. Such Colleges are listed out below:

Andhra area:

1. K.V.R. Govt. College for Women, Kurnool.
2. St. Joseph's College for Women, Waltair. (A)

Telangana area:

1. New Science College, Hyderabad (B)
2. Mumtaz College, Hyderabad.
3. S.R.R. College, Karimnagar.
4. S.B. & G.N.R. College, Khammam.
5. Arts & Science College, Siddipet.
6. Nagarjuna Govt. College, Nalgonda.
7. Girraj College, Nizamabad.
8. Arts & Science College, Adilabad.

However, in the case of the two Colleges (A) & (B), the Central Government agreed and released its share of assistance under the clause that the Colleges started within two years of the introduction of the new reform. The following Colleges opened in 1962-63 also did not receive the extra financial assistance under the reform:

1. Hindi Arts College, Hyderabad.
2. Maharajah's College, Vizianagaram.
3. Annavaram Satyavati Devi College for Women, Kakinada.
4. Rajah R.S.R.K. Ranga Rao College, Bobbili.
5. The Adoni Arts & Science College, Adoni.
6. Maris Stella College, Vijayawada.
7. Vanita Maha Vidyalaya, Hyderabad.

During the transition period of implementation of the new reform, the strength of Colleges gradually decreased, owing particularly to the replacement of the 2-Year Intermediate course with the One-Year P.U.C. with half the strength of former course. This resulted in reduction in fee income to Colleges. Under the new reform the strength of sections was reduced from about 100-120 to 60-80. This step necessitated provision for more accommodation and more staff. Further in each College a few new subjects had to be introduced in order to provide for the prescribed combinations and this step also necessitated employment of more staff and other incidental expenditure.

The implementation of the P.U.C. and 3 Year Degree course definitely entailed additional expenditure on staff, accommodation and equipment, irrespective of the types of Colleges whether Arts or Sciences or combined Arts and Sciences, the only difference being additional expenditure was more in respect of Science courses than in the case of Arts courses. It was on the firm basis of calculated expenditure the Central Government sponsored the scheme of financial assistance. Colleges which had provision for Arts and Sciences in old Intermediate and Degree courses suffered loss of strength while others which introduced Sciences under new forms could improve strength. The fact remains that for the same subjects provided, the running of Colleges under the new reforms is more expensive than under the old system of Intermediate and 2 Year Degree Courses.

Adoption of U.G.C. scales of pay in Affiliated Colleges.

For a very long time, collegiate teachers were not given suitable pay scales befitting their qualifications and functions. Till very recently, the pay scales of collegiate teachers in affiliated aided Colleges were as follows:

Statement showing the scales of pay of the various posts in the Colleges affiliated to the three Universities in Andhra Pradesh.

Posts	Scale of pay in Govt. institutions.	Scales of pay in the Affiliated Colleges under:			
		S.V.University.	Andhra University.	Osmania University.	U.G.C. scale
Principal	500-800	400-700	300-600	400-700	600-800
Lecturers	250-600	250-500	150-300 SA.50/-	200-400	400-700 300-600
Asst.Lecturers.	150-280	150-200	150-250 (for teachers handling Intermediate classes).	150-300	200-500
Pandits & Munshis (Asst.Lecturers Grade II in Govt. Colleges).	90-180	100-200	100-200		
Tutors & Demonstrators.	90-180	85-125	80-120		
Physical Directors-					
Grade I	150-280	150-250	100-150		
Grade II	100-200		100-140		

One of the Fundamental issues over which the Radhakrishnan Commission on University Education showed great concern was absence of suitable pay scales for collegiate teachers. The University Grants Commission which came into being as a result of one of the fundamental recommendations of the Radhakrishnan Commission evolved suitable pay scales for collegiate teachers in the University Colleges and in affiliated Colleges. During the Second Plan period, the U.G.C. offered financial assistance to affiliated Colleges for implementing the U.G.C. scales of pay.

Under this offer, financial assistance from the U.G.C. was made available for a period of 5 years beyond which the Colleges must retain the U.G.C. scales as a permanent measure without central assistance. The U.G.C. would meet 50% of additional cost in respect of Men's Colleges and 75%

in respect of Women's Colleges and the balance should be borne by the State Government and Aided managements in equal proportion of entirely by the aided managements concerned as the case may be. For some time the State Government was not inclined to accept the scheme. Nevertheless, some aided Colleges in the State adopted the U.G.C. scales of pay meeting the entire balance from their own resources. In 1961 i.e. before the end of the Second Plan period, the State Government decided to implement the U.G.C. scales of pay in all the affiliated Colleges in the State and issued orders to that effect offering financial assistance to Colleges along with the Central Government. By this great step on the part of the State Government, the U.G.C. scales of pay have been permitted in all the affiliated Colleges in the State with effect from 1.3.1961.

A statement is enclosed indicating the colleges which implemented the U.G.C. scales of pay prior to 1.3.1961 without any financial assistance from the State Government and also the Colleges which have implemented the U.G.C. scales of pay with effect from 1.3.1961 under the State Government's directive.

Another statement is also enclosed indicating the estimated financial commitments for implementing the U.G.C. scales of pay fully in all the affiliated colleges. A comparative study of these two statements will show that in most of the colleges, the U.G.C. scales of pay are not yet fully implemented and that some of the Colleges have yet to implement U.G.C. scales of pay. In respect of Government Colleges, it is understood that certain issues regarding weightages and extension of U.G.C. scales to certain categories of staff are pending clarifications by Government. As soon as these issues are clarified the implementation will be completed. So far as Aided Colleges are concerned the reason for incomplete or non-implementation is obvious, namely financial difficulties. After all, the grants from the Central and State Governments are made available to Aided Colleges on post payment basis and for this reason most of the managements do

not have resources to go ahead with total implementation of the scheme. Advance payment of grants by the U.G.C. and the State Government will enable the Colleges to implement U.G.C. scales of pay fully.

The aided managements came into financial difficulties on account of the introduction of the P.U.C. and the 3 Y.D. courses. When they were struggling to find finances to maintain the colleges the U.G.C. scales of pay came into operation. In the interest of collegiate education, both these measures had to be adopted, although this meant definitely immediate and ultimate financial commitments to Aided managements. A statement is enclosed showing the strength, fee income and expenditure on salaries of staff in Aided Colleges in 1956-57 (i.e. before the introduction of new reform), in 1961-62 (i.e. a year after the colleges became full-fledged in the new reform without commitments on account of U.G.C. scales of pay) and in 1962-63 (i.e. after adopting UGC scales of pay in all the affiliated Colleges in State taking into account the additional commitment for implementing the U.G.C. scales of pay).

OBSERVATIONS OF THE COMMITTEE.

The Committee recognises the fact that the managements of Aided Colleges are facing financial difficulties to maintain the Colleges and such difficulties are the direct result of the implementation of the PUC and 3 Y.D. courses followed up by the adoption of the U.G.C. scales of pay for collegiate staff. In the course of its examination of the problem of deficit in the maintenance of Aided colleges, the Committee has made the following observations:

(1) Under the existing grant-in-aid code, there is hardship to managements of Aided Colleges as indicated below:

(a) Payment of D.A. is a policy measure of the State Govt. and as such it must be fully compensated by the Government.

(b) Regarding admissibility or otherwise of items of expenditure for grant-in-aid purposes, managements of Aided Colleges suffer some hardship. There are essential items of expenditure like payment of affiliation fees, contributions to T.P.F., T.A. & staff, legal expenses, Bank charges, recurring additions to laboratory and libraries etc. which are not admitted for aid. Certain other essential items like electricity charges and repairs to buildings and furniture are restricted to very limited amounts (Electricity charges upto Rs.750/- p.a. and repairs to buildings and furniture upto Rs.2,000/- p.a. As all affiliated colleges have to fulfil the same conditions laid down by the Universities for their normal functioning, there is a genuine case to permit Aided Colleges to incur the same items of expenditure to the same extent necessary as in the colleges of similar size managed by the Government.

(c) Fee concessions under Rule 31 of the Grant-in-aid code are restricted upto 10% of the total fee income at standard rates and this expenditure is entitled to Government grant equal to 50%. Concessions of the kind may be fully compensated by the Government.

(d) While the standard rates in colleges in Andhra region are fixed once and for all, the Osmania University rates varying from time to time are taken as standard rates in respect of colleges in Telangana region. As the present Osmania University rates are higher than the standard rates in Andhra region (in PUC rates are higher than at in classes same as in Andhra region), the latter rates may be adopted as standard rates for the entire State for grant-in-aid purposes.

(e) Non-recurring grants on buildings and equipment are really meagre compared to actual commitments to provide buildings and equipment for entire colleges.

2. Colleges with comparatively lesser strength have recorded disproportionate expenditure and this is due to provision

for teaching a variety of subjects entailing employment of staff for all the subjects as per the University regulations. Such heavy expenditure in small colleges is also traced to uneconomic strength in certain groups. The Department and the University may prescribe some minimum economic strength for such groups and reduce the expenditure to some extent. Again in centres where more than one College exist the same combinations of subjects need not be offered in all the Colleges unless there is fully complement of strength in each college.

3. Under the Grant-in-Aid code, teaching grant is paid by the Department calculating the deficit with reference to standard rates of fees which are lower than the rates at which fees are actually collected. This is a facility provided in the code to enable the managements to run the Colleges without any difficulty. The rules of the University regarding affiliation to Colleges require building up of endowments or corpus fund of a specified amount by individual colleges, so that the interest accrued on such fund may help Aided managements in meeting the cost of maintenance of Colleges. The above mentioned provisions constitute a guaranteed facility for Aided managements to maintain Colleges without much difficulty. It is noticed that most of the Colleges have not built up the prescribed endowments or corpus funds. The Universities must take steps to ensure building up of endowments by such colleges to the desired extent.

(4) A number of colleges started in recent years do not have adequate strength. As matters stand at present, granting of affiliation by the Universities to such Colleges is bringing an obligation on the State Government, morally and technically, to admit such colleges to grant-in-aid. The Committee feels that in future in the matter of establishing new Colleges the Universities may first obtain the consent of the department before granting affiliation.

(5) The tuition fee rates in most of the Colleges have

remained stationary for a long time. In view of the increasing deficit for Colleges, there is case to enhance the rates of fees. But, in the present context of economic position of most parents, any step to raise tuition fee rates proportionate to the increased deficit (generally the rates have to be doubled) is likely to meet with public resentment. Nevertheless, the State Government and the Universities may adopt measures for gradual raise in tuition fee rates.

(6) Consequent on the adoption of the U.G.C. scales of pay in all affiliated Colleges in the State, staff in Aided Colleges have their long felt desire fulfilled namely equal scale of pay as in Government Colleges. But, collegiate teachers in Aided Colleges have a general feeling of insecurity of service under Aided managements. One of the most essential conditions for the proper functioning of any educational institution is security of service conditions of staff. So far as Government Colleges are concerned, the Universities confine themselves to academic matters whereas service conditions of staff and other matters of administration are solely vested with the department. The Committee feels it necessary that similar procedure must be adopted in respect of Aided Colleges, under which the governing bodies may function as appointing authorities and the D.P.I. representing the Education Department may function as appellate authority. For this purpose the Committee feels that service rules as in Government Colleges may be made applicable to all Aided Colleges with suitable amendments specifying the appointing and appellate authorities. The Committee feels it also desirable to re-constitute governing bodies of Aided Colleges to consist of only Chief donors and Government and University representatives. No liberalisation of grant-in-aid will be purposeful if there is no measure of security for employees.

(7) While the qualifications prescribed for collegiate teachers by the Universities concerned are rigidly observed in

the Government Colleges, the Universities are granting permanent exemptions from the prescribed qualifications in Aided Colleges. The Committee feels that the Universities, as a matter of principle, should not encourage permanent employment of unqualified persons as collegiate teachers.

The Committee has taken into consideration the actual income and the actual expenditure in respect of each College, irrespective of the admissibility or otherwise the items of expenditure, because this gives a clear and realistic picture of actual income and actual expenditure. On this basis the Committee has assessed the deficit for Colleges without the commitment of the U.G.C. scales and with the commitment of the U.G.C. scales. Keeping in view the existing grant-in-aid provisions and the difficulties represented by managements of Aided Colleges, the Committee has sought to provide relief to Aided Colleges by adopting one or the other of the following formulae.

(1) $\frac{2}{3}$ / 50% of salaries and allowances of staff (teaching and non-teaching) as grant. The managements should meet the balance of this expenditure and also expenditure on other items with the income they get from tuition fee and other sources.

(2) 100% expenditure on salaries of staff (teaching and non-teaching) minus income from fees at standard rates. The managements should meet expenditure on other items from the difference between the fees at standard rates and actual rates.

(3) 75% of the net deficit on salaries plus allowances like D.A. etc., and other admissible expenditure, the income from fees being calculated at standard rates.

Accordingly, the position of each College has been assessed and the whole case has been examined to arrive at a common formula. A statement is enclosed showing the financial implications for the adoption of the above formulae. Each College has its own characteristics in the matter of provision

of courses of study. Due to this and also varying strength of colleges, there is bound to be some difficulty in prescribing any fixed limit of assistance to each College. The Committee feels that the present grant-in-aid provisions must be liberalised in order to meet the net deficit for running the Colleges and that the items of expenditure for grant-in-aid purposes in Aided Colleges must be the same as in Government colleges, to more or less the same extent according to similarity in size. The Committee also feels that the Colleges which came into existence subsequent to the introduction of the new reforms definitely needs financial assistance for providing suitable accommodation, laboratories and Libraries, because such Colleges did not get any special assistance for running the PUC and 3 Year Degree Course.

Recommendations of the Committee:

After very careful consideration of the difficulties of the Aided managements and the present financial position of the State Government, the Committee makes the following recommendations:

(1) Government may pay teaching grant to Aided Colleges adopting the following formula:

"100% of expenditure on salaries of teaching and non-teaching staff minus fees at standard rates to be limited to actual deficit subject to the condition that the existing rates of fees must not be reduced". The benefit of any new increase in fees will be enjoyed by the College.

(2) Colleges established subsequent to the introduction of the new reforms may be given financial assistance to provide suitable laboratories and libraries. This may be in the shape of recurring grant calculated at the rate of Rs.10/- p.a. per each Science student (both P.U.C. and 3 Year Degree course) for a period of 7 to 10 years.

The Colleges which implemented the new reform with the

special financial assistance from the Central and State Governments need not be paid this grant now proposed. These Colleges will be able to meet the maintenance expenditure on laboratories with laboratory fee collections.

(3) Unspent balances under special fee collections may be utilised to build up corpus funds for Colleges. The managements of Aided Colleges may effect increase in income by enhancing tuition fee rates and such increase may be added annually to the Corpus funds. This step will help the managements to build up endowments or corpus funds.

(4) The Department may issue a comprehensive set of instructions indicating the admissible items of expenditure for grant-in-aid purposes. Financial limits wherever necessary may also be indicated, keeping in view the expenditure normally incurred on such items in Government colleges of similar size. These limits, however, may vary in different Colleges. The reports on audit must be comprehensive, assigning reasons for objections, if any. Normally, the audit reports may be made available to managements within a month of the completion of audit.

(5) The existing provisions for grants on non-recurring items, save for recommendation 2 above, need not be revised, in view of the fact that the main problem of Aided Managements is in respect of maintenance of Colleges and that is now sought to be resolved by the acceptance of the recommendation 1 above.

(6) Since the State Government approved the adoption of the U.G.C. scales of pay since 1.3.1961 in all affiliated Colleges in the State, the teaching grant to Colleges may be assessed on the basis of the U.G.C. scales of pay, when an approved U.G.C. scale of pay is already adopted by a College with the consent of the U.G.C., such scale should be accepted for grant purposes.

During the first five years period when financial assistance of U.G.C. is made available, only the additional expenditure on account of the adoption of U.G.C. scales of pay

will be shared by the agencies concerned i.e. Men's Colleges - U.G.C. 50%, State Government 25%, Aided management 25% - Women's Colleges - U.G.C. 75%, State Government $12\frac{1}{2}\%$ - Aided managements - $12\frac{1}{2}\%$.

(7) The liberalisation of the grant-in-aid rules will now serve its purpose if at the same time proper conditions of service are not guaranteed to the staff in Aided Colleges. It is necessary that a uniform code in the matter of appointments, promotions, punishments, leave etc., is enforced in all Colleges. The Committee recommends that for this purpose the rules prevailing in Government Colleges should be adopted throughout the State with such modifications as may become necessary. In view of this and as the Education Department will in future meet the entire cost of the maintenance of the Aided Colleges it will be more appropriate for the Education Department to serve as a appellate authority in respect of any representations or appeals made by the members of the staff. In this connection it may be mentioned that as the University has no permanent inspecting staff it may be advantageous to the Universities to divest themselves of this responsibility.

(8) The Universities should consult the D.P.I. before granting affiliation to any new College in future. No College will be eligible for grant if the approval of Government has not been obtained for its establishment. This will also apply where new courses are opened.

(9) In view of the need to lessen the administrative burdens of the Government and to encourage healthy private enterprise the Committee recommends that even in the event of the Government meeting the net cost of maintenance of Colleges, they may be left to be managed by private agencies only. The Committee, however, suggests re-constitution of governing bodies of Aided Colleges to include representation of University and the Education Department. Such a measure may ensure compact and effective governing bodies for Aided Colleges.

GRANTS-IN-AID TO PRIVATE EDUCATIONAL
INSTITUTIONS

In the Andhra area of the State, the grant-in-aid rules in force in the old Madras State were adopted to begin with and continued to be in force, with minor modifications, till 1956-57. In Telengana area, there was hardly any system of grant-in-aid prior to 1948. After the Police action, grant-in-aid rules were framed for the first time. These were revised in 1952 and continued to be in force till 1956-57.

After the reorganisation of Andhra Pradesh in November 1956, attempts were made to have a common set of grant-in-aid rules for the State as a whole. The following progress has been made in this direction so far:-

(1) Revised rules of grant-in-aid to secondary schools were introduced in the Andhra area in 1962-63 and were extended to the Telangana area in 1963-64.

(2) Uniform rules of grant-in-aid to colleges have been made applicable to both the regions of the State, on recommendations of the D. S. Reddy Committee, with effect from 1964-65.

In all other matters, separate grant-in-aid rules are still applicable to the two regions. Steps to introduce a uniform set of grant-in-aid rules to all types of educational institutions in both the regions are under consideration of Government at present.

2. Extent of Private Enterprise: The extent of private enterprise in Andhra Pradesh may now be regarded as low (on a three-point scale - low, average and high). In 1956-57, the percentage of private educational institutions to total in Andhra Pradesh was 35.4 as against an all-India average of 32.8. But recently, Government took a decision to take over all private elementary schools which were not being managed properly or where the managements themselves

were willing to hand over the institutions to Government. Consequently, the percentage of private educational institutions to total in Andhra Pradesh fell from 35.4 in 1956-57 to 8.0 in 1960-61.

The statistics given in Annexure I show the variation in the number of private educational institutions of different types in Andhra Pradesh between 1956-57 and 1961-62 and their percentage to total number of educational institutions. It will be seen therefrom that increases have taken place in Arts and Science colleges (from 47 to 50), Professional Colleges (from 7 to 15), Secondary Schools (from 164 to 256), special education colleges (from 13 to 23), special education schools (from 50 to 72), middle schools (from 101 to 228), and pre-primary schools (from 9 to 23). Decreases have taken place in vocational schools (from 172 to 60 - the largest single fall being 117 in commercial schools*), and primary schools (from 10,421 to 2,070).

3. Grant-in-aid to Universities: The three Universities in the State are given block grants. After taking all relevant factors into consideration, Government, in consultation with the University, fixes the annual recurring block grant to be given to it. Once a block grant is fixed, it generally holds good for a period of five years.

4. Grant-in-aid to Colleges (Other than Engineering and Technical colleges which are under the control of the Director of Technical Education): On the recommendation of the D.S. Reddi Committee, Government have decided that all the aided colleges in the State will be given a teaching grant equal to 100% of the expenditure on salaries of teaching and non-teaching staff minus fees at standard rates. The total amount of grant-in-aid is limited to the actual deficit and is further subject to the condition

* This is not strictly a fall in the number of schools. It merely indicates that short-hand and type-writing institutions which formed the bulk of commercial schools have now been omitted from the statistical returns.

that the existing rates of fees should not be reduced.

The standard rates of fees prescribed vary from university to university and are given below:-

<u>University</u>	<u>PUC Class</u> <u>Standard rate of</u> <u>fee per term.</u>	<u>Degree classes</u> <u>Standard rate of</u> <u>fee per term.</u>
Andhra	48	61
Sri Venkateswara	48	61
Osmania	35	40

N.B. There are three terms in a year.

The colleges are permitted to charge fees at rates higher than the standard rates. The additional income which they thus receive is to be utilised for all expenditure other than salaries of teaching and non-teaching staff. If there is any surplus, the colleges are also permitted to utilise it for building up a reserve fund.

A very important point to be noted in this context is the freedom given to managements to charge higher rates of fees and to utilise the proceeds for improvement of standards.

The grant to colleges is generally paid in two instalments. Early in each year, on a request made by the college the first instalment equal to 75% of the grant assessed in the previous year is paid. The second instalment is paid towards the end of the year after the grant is assessed and finalised.

5. Grant-in-aid to Secondary Schools: Under the latest orders, the secondary schools (including the middle and primary departments attached to them) and middle schools (including the primary departments attached to them) are entitled to receive aid at the following rates:-

(1) A teaching grant equal to the expenditure on salaries (including allowances) of the teaching and non-teaching staff in the preceeding financial year excluding the expenditure on menial staff paid from contingencies; and

referred to in (1) above.

(3) The amount of tuition fees which the Management is eligible to receive either from the students or from Government by way of fee compensation etc. is to be deducted from the total of items (2) and (2) above while arriving at the net grant-in-aid payable to the institutions.

Some explanation is necessary regarding fees. At present, Government prescribe the standard rates of fees to be levied in schools. By and large, the fees in Andhra area are much higher than in the Telangana area and it has not yet been possible for the State to equalise the rates of fees in the two regions. There are also a very large number of concessions allowed in fees. For instance, all education upto VIIIth class is free. Even in Classes IX to XII, free education is given to all children of scheduled castes and scheduled tribes and all girls. All children of parents whose income is less than Rs. 1,500 per year are also given free education. Special concessions are available to children of Defence personnel and children of goldsmiths thrown out of employment. All children of non-gazetted officers and employees of local bodies and teachers in aided schools (whose income does not exceed Rs. 300 per month) are eligible for half fee concessions. On the whole, therefore, it may be said that about 60% of the children in classes IX to XII get free education.

Grants to secondary schools are paid monthly in instalments. On the basis of the expenditure on the staff and income from tuition fee in July each year, a provisional assessment of the grant due to the school for that month is made and paid in August. An equal instalment is paid every month till next June. After the accounts of the school for financial year are duly audited and approved, the final settlement of the grant-in-aid is made. If there is any excess payment, it is recovered by

adjustment in the next year's grant; and if there is any under-payment, the difference is paid in cash.

6. Grant-in-aid to Primary Schools: In the Andhra area, the old Madras, Education Rules are still in operation with certain modifications. The grant-in-aid payable to a primary school (which does not form part of a middle school or a secondary school) is assessed as follows:-

- (1) A teaching grant equal to the entire salary and allowances of the teaching staff which is fixed according to certain rules; and
- (2) A maintenance grant equal to 12 percent of the teaching grant.

The grants are paid monthly as in the case of secondary schools.

In the Telangana region, independent primary schools still continue to get grant-in-aid under the 1952 Rules, i.e., they get two-thirds of the expenditure on salaries (including allowances) of the staff minus income from fees if any. These rules are obviously more unfavourable than the rules prevailing in the Andhra region. A proposal to extend the Andhra rules for grant-in-aid to independent primary schools in the Telangana area also is now under the consideration of Government.

7. Grant-in-aid to Training Institutions for Elementary

Teachers: In the Andhra area, the grant-in-aid to training institutions for elementary teachers is paid on the following basis:-

- (1) Two-thirds of the salaries of the teaching and non-teaching staff and
- (2) 50% of the dearness allowance paid to the teaching and non-teaching staff;
- (3) Income from fees at standard rates is deducted from the total of items (1) and (2) above.

It may, however, be mentioned that there are no fees levied in any training institution for elementary tea

In the Telangana area, the grant-in-aid is a little more liberal and is equal to two-thirds of the expenditure on salaries (including allowances) of the teaching and non-teaching staff minus income from the fees at standard rates.

The grants are paid monthly as in the case of secondary schools.

It will be seen that the rates of grant-in-aid applicable to training institutions for elementary teachers are more unfavourable than those for secondary schools. There is also a small difference between the two regions. It is, therefore, necessary to revise these rules and to introduce a common set of rules to training institutions for elementary teachers in both the regions. These rules will also have to be more liberal than these for secondary schools because the expenditure to be incurred in training institutions on non-teacher costs is larger and there is no income from fees. The matter is now under the consideration of Government.

8. Pre-Primary Schools: In the Andhra area, the grant-in-aid to pre-primary schools is given under the M.E. Rules, i.e. at two-thirds of the total expenditure on salaries of the teaching staff plus 50 percent of the dearness allowance paid to them minus income from fees. In practice, however, the pre-primary schools in the Andhra area do not charge any fees.

In the Telangana area, the grant-in-aid to pre-primary schools is given under the 1952 rules, i.e., at two-thirds of the expenditure on salaries (including allowances) of the teaching staff minus income from fees at standard rates.

The grants are paid monthly as in the case of secondary schools.

A proposal to remove the small difference that exists in the two sets of rules applicable to the two regions is under the consideration of Government.

ANNEXURE - I

Size and Significant Areas of Operation of Private Enterprise in Andhra Pradesh

Type of Institutions	1956-57							1961-62						
	Total Number of		Percentage of Private		Total Number of		Percentage of Private	Total Number of		Percentage of Private		Total Number of		Percentage of Private
	Private Educational Institutions	For Boys	For Boys	For Girls	Private Educational Institutions	For Boys		Private Educational Institutions	For Boys	For Girls	For Girls	Private Educational Institutions	For Boys	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.		
Arts & Science Colleges	43	4	47	89.6 (48)	80.0 (5)	88.7 (53)	43	7	50	76.8 (56)	77.8 (9)	76.9 (65)		
Professional Colleges (Excluding Commerce, Law, Education & Physical Education.)	3	-	3	21.4 (14)	-	21.4 (14)	10	-	10	43.5 (23)	- (1)	41.7 (24)		
Law Colleges	1	-	1	100.0 (1)	-	100.0 (1)	2	-	2	100.0 (2)	-	100. (2)		
Commerce Colleges	1	-	1	100.0 (1)	-	100.0 (1)	1	-	1	100.0 (1)	-	100. (1)		
Education (including Physical Education)	1	1	2	16.7 (6)	100.0 (1)	28.6 (7)	1	1	2	12.5 (8)	100.0 (1)	22.2 (9)		
Secondary Schools	129	35	164	19.8 (650)	42.2 (83)	22.4 (733)	195	61	256	15.2 (1,279)	39.1 (156)	17.8 (1,436)		
Secondary Vocational Schools (Excluding Commerce, Education, Physical Education and Technical, Industrial and Arts & Crafts).	-	-	-	- (11)	-	- (11)	5	1	6	14.7 (34)	50.0 (2)	16.7 (36)		

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
8. Technical, Industrial and Arts & Crafts Schools	14	3	17	77.8 (18)	75.0 (4)	77.3 (22)	14	7	21	63.6 (22)	100.0 (7)
9. Commerce Schools	118	-	118	99.2 (119)	-	99.2 (119)	1	-	1	50.0 (2)	- (3)
10. Teachers' Training (including Physical Education) Schools	21	16	37	32.3 (65)	57.1 (28)	39.8 (39)	18	14	32	19.4 (93)	33.3 (42)
11. Special Education in Colleges	11	2	13	78.6 (14)	100.0 (2)	81.3 (16)	21	2	23	87.5 (24)	100.0 (2)
12. Special Education Schools (Excluding Adult Education and Education of the Handicapped.)	40	6	46	69.0 (58)	50.0 (12)	65.7 (70)	51	16	67	71.8 (71)	84.2 (19)
13. Schools for the Handicapped	4	-	4	57.1 (7)	-	57.1 (7)	5	-	5	55.6 (9)	-
14. Middle Schools	74	27	101	27.5 (269)	45.0 (60)	30.7 (329)	199	29	228	13.3 (1,491)	21.3 (136)
15. Primary Schools	10,391	30	10,421	36.5 (28,458)	6.1 (490)	36.0 (28,948)	2,058	12	2,070	5.7 (36,255)	2.8 (435)
16. Pre-Primary Schools	2	7	9	100.0 (2)	46.7 (15)	52.9 (17)	15	8	23	31.3 (48)	34.8 (23)

Source: Ministry of Education Form A

ASSAM

Summary of Grant-in-aid rules

I. Colleges of Arts and Science

Principles - 1. Grant-in-aid is calculated on the basis of difference between approved income and approved expenditure.

(a) Approved income is determined by multiplying the number of students by the rate of fees and then deducting 40% of the total fee income. Estimate of approved income is based on actual enrolment.

(b) Approved expenditure includes salaries of teachers, clerks, librarian and Government share of provident fund contribution.

The number of persons in the above categories to be entertained in a college for calculation of approved expenditure will be fixed by the Director of Public Instruction.

Conditions

1. The College must be affiliated to the University.

2. Minimum enrolment must be - Arts 300 - Science - 120. This condition may be relaxed in case of girls' colleges.

3. The minimum rate of tuition fee in all aided colleges will be the same as that in Government colleges. The Governing Body may increase the rate up to 50% over the prescribed rate with the prior approval of Director of Public Instruction. The additional income may be utilized in giving special pay to teachers with outstanding qualification, and for purchasing teaching aids and books.

4. Appointment of Principal is to be made by the Governing Body out of a panel of names to be

selected by a State Selection Board consisting of -

- (a) A member of the Assam Public Service Commission.
 - (b) Director of Public Instruction - Secretary.
 - (c) and (d) Deans of the Faculties of Arts and Science, Gauhati University.
 - (e) One Educationist.) Nominated by Government.
 - (f) One Principal.)
5. 25% of the monthly fee-income must be set apart for fee remissions, contingency, furniture, equipment and minor repair of building and 15% for construction of building and repayment of loans incurred for building and other capital expenditure.
 6. Every aided college must be conducted in accordance with the rules laid down in the Assam Education Department Rules Orders.
 7. The Governing Body should be constituted according to the statute framed under section 21(G) of the Gauhati University Act, 1947.

Rules for adhoc grants to colleges of Arts and Science

Colleges which are not affiliated to the University are given grants at the following rates -

1. Colleges recognised by the University up to
 Ist year of the 3 year Degree Course -
 In Arts - Rs. 500/- per month
 " Science - " 1000/- "
2. -do- -do- 2nd year -do- -
 Arts - Rs. 1000/- per month
 Science - Rs. 1500/- "

3. Colleges recognised by the University up to

3rd year of the 3 year Degree Course

Arts - Rs. 1000/- per month

Science - Rs. 1500/- "

4. Girls colleges recognised for Pre-University Classes

in Arts or Science got grant @ Rs. 500/- per month.

Loans

The aided colleges getting grant under the deficit system are eligible for loans for the following purposes -

(a) Construction or major repair of college and hostel buildings or teachers' quarters.

(b) Furniture and equipments.

Loan may be sanctioned up to the limit of 2/3rd of the estimated cost but not exceeding 15 times the average monthly fee income subject to a maximum limit of Rs. 30,000/-.

II. Colleges of Commerce

At present there is only one Commerce College getting grant from Government. No separate rules for such colleges have been framed and the same rules are being followed as in the case of colleges of general education.

III. Professional Colleges

Professional colleges like Engineering Colleges are under the control of the Directorate of Technical Education. Other professional colleges like Medical, Agriculture and Veterinary Colleges are under the control of the respective departments of the State Government.

IV. Colleges of Special Education

There are no definite rules regarding grants to colleges of special education such as Music colleges, Sanskrit colleges, Arabic Colleges, etc. Grants are sanctioned to these on ad-hoc basis at a fixed rate on consideration of each case individually.

V. Professional or Vocational Schools

These schools are under the control of the Director of Technical Education.

VI. Secondary Schools

Principles -

1) Grant in aid is calculated on the basis of difference between approved income and approved expenditure.

(a) Approved income is determined by multiplying the number of students by the rate of fees and then deducting 40% of the total fee income. Estimate of approved income is based on actual enrolment.

(b) Approved expenditure will include salaries to teachers and clerks and Government share of provident fund contributions.

Conditions

1) School must be recognised by the Board of Secondary Education.

2) Minimum enrolment should be 300 but in case of girls schools and schools in backward or tribal area it is 150. 40% of the total enrolment must be in the upper four classes.

3) Each school must maintain the prescribed minimum number of teachers with requisite qualifications.

4) 25% of the monthly fee income must be set apart for fee remissions, contingency, furniture, equipment and minor repair of building and 15% for construction of building and repayment of loans incurred for building and other capital expenditure.

5) The rate of tuition fee in all aided schools will be the same as that in Government schools. The Managing Committee may, however, increase the rate up to a limit of 50% over the prescribed rate with the prior

approval of the Inspector of Schools concerned.

6) Appointment of Headmasters are to be made by the Managing Committee - out of a panel of names selected by a State Selection Board consisting of -

- a) Director of Public Instruction - Chairman
- b) Additional Director of Public Instruction - Secretary
- c) Inspector of Schools concerned
- d) and e) Two educationists nominated by Government.

7) Appointment of Assistant Headmasters and other teachers are to be made by the Managing Committees out of a panel of names selected by Divisional Selection Boards consisting of -

- a) Inspector of Schools - Chairman
- b) An Assistant Inspector of Schools to be nominated by the Inspector of School - Secretary
- c) One Headmaster)
- d) One Headmistress) Nominated by D.P.I.
- e) and f) Two educationists)

Rules for adhoc grants to Secondary Schools

Secondary Schools which are not recognised by the Board of Secondary Education but recognised by the Department are given grants at the following rate -

- a) A minimum fixed grant of Rs. 250/- per month.
- b) This minimum grant may be increased @ Rs. 125/- for each additional graduate teacher and Rs. 75/- per month for each additional undergraduate teacher up to a maximum of Rs. 750/- per month.

Loans

Aided secondary schools getting grant under the deficit system are eligible for loans in the same way as the aided colleges but subject to a maximum limit of Rs. 20,000/-.

VII. Middle Schools

Middle schools are of two categories -

1) Middle English and 2) Middle Vernacular or Senior Basic Schools. The latter are maintained by the State Board of Elementary Education.

Rules for grant-in-aid to the Middle English Schools are the same as those for secondary schools except the following -

Principles -

The deduction from fee income is 50% instead of 40%.

Conditions

- 1) The school must be recognised by the Education Department.
- 2) Minimum enrolment should be 60. There is no relaxation for girls' schools or schools in backward or tribal areas.
- 3) The share of fee income to be used for construction of building and repayment of loans is 25% instead of 15%.
- 4) Appointment of Headmasters are to be made by the Managing Committees out of a panel of names selected by the Divisional Selection Board as mentioned under Secondary Schools.

Rules for ad-hoc grant to Middle Schools -

Middle schools which are not eligible for grant under the preceding rules are given grants at the following rates -

- (a) A minimum fixed grant of Rs. 100/- per month.
- (b) This minimum grant may be increased @ Rs. 75/- per month for each additional undergraduate teacher up to a maximum of Rs. 250/- per month.

Loans

Middle schools getting grants under the deficit system are eligible for loan for the same purposes as colleges but not exceeding 25 times the monthly fee income subject to a maximum limit of Rs. 10,000/-.

VIII. Primary Schools

Primary Schools are maintained by the Board of Elementary Education which pays the salary of the teachers and contingent expenditure. Non-recurring grants are given by the Board from time to time for furniture and equipment according to necessity and availability of funds.

The amount required for maintenance of primary schools by the Board is given by Government as a grant to the Elementary Education Board.

IX. Pre-primary Schools.

The number of pre-primary schools is very small and no definite role has yet been drawn up for giving grants to such schools. Grants both recurring and non-recurring are given on ad-hoc basis on the merits of each case and subject to availability of fund.

X. Teacher Training Colleges

There is at present only one private B.T. College besides one Government B.T. College. No rules for grant in aid to Teacher Training Colleges have been framed as yet.

XI. Teacher Training Schools -

All teacher training schools like the Normal Schools and Basic Training Centres are run by Government. There are no private institutions of this nature.

Grants-in-aid to private educational
Institutions

Extent of private enterprise

The extent of private enterprise in Bihar is very high on a 3-point scale low, average and high. In 1956-57 the percentage of private educational institutions to total in Bihar was 67 as against an all India average of 32.8. It has further risen in 1960-61 to 74 per cent. The explanation for this is that the State Government had adopted a deliberate policy of preferring private enterprise to setting up Government schools because private schools cost less and the resources of the State Government were very limited.

The statistics given in Annexure I show the variation in the number of private educational institutions of different types in Bihar between 1956-57 and 1961-62 and their percentage to total number of educational institutions. It will be seen therefrom that increases have taken place in Arts and Science Colleges (from 6 to 8), secondary schools (from 976 to 1599), special education schools (from 443 to 545), middle schools (from 1680 to 2266), primary schools (from 18207 to 23720), pre-primary schools (from 3 to 21). There has been no fall of private enterprise in any type of institution.

Grants in aid to universities.

There are six universities in Bihar - the Universities of Bihar, Patna, Bhagalpur, Ranchi, Darbhanga and Magadha.

On 1.3.62 the Bihar State University Commission was set up and it determines the amount of grant to be given to the various universities. All funds available with the State Government for universities

The grants are of three types -

(a) Statutory Grant - A total grant of Rs. 82 lakhs per annum has been sanctioned for all the universities according to their requirements. This grant is intended to cover recurring expenses of the universities, their departments and their constituent colleges.

(b) Non-plan Grant - This is intended to meet recurring expenditure in respect of a few schemes undertaken during the course of the first two plans. This amounts to Rs. 42 lakhs.

(c) Plan Grant - This is meant for development schemes undertaken during the Third Five Year Plan. Under this item Rs. 46 lakhs during 1962-63 and Rs. 40 lakhs during 1963-64 were sanctioned to the Commission.

All grants to the colleges are paid through the universities concerned.

Grants-in-aid to secondary schools

The sanctioning authority for all recurring grants is the Board of Secondary Education, Bihar, excepting in cases where a reference to the Department is specifically required under the provisions of the Act or its rules. The conditions of eligibility for fully recognised high schools for boys and girls or partly recognised high schools for girls are laid down and have to be strictly adhered to by the Board.

The Board of Secondary Education, Bihar sanctions a variety of grants to non-government recognised high schools as follows :-

1. Normal grant in aid to non-government schools:

This includes (a) normal grant; (b) hostel grant; (c) grant for municipal taxes; (d) grants for teaching of special subjects. These grants are paid only to old schools according to the decision of Finance Committee of the Board.

This is a recurring monthly grant to a school
and is limited to the differences between the standard cost and the fee income. It is, however, provided that the minimum monthly grant to a high school or a higher secondary school shall be Rs. 100 or Rs. 250, respectively and the maximum grant in either case half of the standard cost. In assessing the grant no allowance should be made by the board for expenditure in excess of standard cost without reference to the Department. A girls school is eligible for full amount of the deficit as soon as classes VIII and IX are recognised and a certain minimum number of pupils are enrolled. The maximum admissible limit in the case of girls schools is two-thirds of the standard cost.

The standard cost takes into consideration several items, such as (a) the number of teachers including a librarian to be employed according to qualifications and salary scales laid down; (b) salary of a clerk; (c) amount to be spent according to scales laid down on contingent expenses for specified items like prizes, library, laboratory, building accounts (d) contribution towards teachers, provident fund; (e) Pay of menials according to fixed rates; (f) rents and taxes, (g) any other expenditure like dearness allowance to teachers, clerks, etc. as approved by the Department.

A school is entitled to full normal grant only if it satisfies certain conditions: (a) percentage of passes as fixed; (b) below average attendance not below 80% (c) enrolment in top classes of at least 40 pupils per class excepting in girls schools where it may be 20 pupils per class.

There is also provision for reduction, withholding or withdrawal of grants if the percentage of passes

or the average attendance or the average number of pupils is below the levels fixed and if the institutions do not satisfy the conditions laid down by the Department or the Board.

(b) Efficiency Grant

Besides recurring normal grants the Board can also sanction efficiency grants to deserving high schools including State-subsidised high schools. The Board fixes standards for efficiency and eligibility for this grant. The factors taken into consideration may be (a) percentage of passes at public examination; (b) quality of the results; (c) result of school examination; (d) number of pupils on rolls and percentage of attendance, staff, qualifications, adequacy and suitability (e) standard of library equipment (f) library organisation and quality of books; (g) co-curricular activities; (h) standard of discipline; (i) school management and parental cooperation.

(2) Subsidy Grant : This is sanctioned for (a) pay of teachers and clerks; (b) D.A. at Rs. 15 per month per head, (c) General Provident Fund; (d) building repairs at Rs. 50 per month; and (e) contingencies at Rs. 100 per month.

(3) Grants to non-Government multipurpose and higher secondary schools: Ad hoc recurring grant equal to the difference between the ad hoc expenditure due to the appointment of teachers in the prescribed scales of pay and the fee income of class XI or 50% of such additional expenditure whichever is less is given.

(4) Science and Agriculture Grants: The rate of grant is Rs. 169 per month for Science and Rs. 112/- per month for agriculture. This is sanctioned to 48 schools at present.

physical education ~~is paid only to schools~~ which have appointed physical instructors holding diploma or certificate in physical education.

(6) Zamindari Grant: This grant is payable to the schools formerly run by outgoing zamidars. Its rate is sanctioned by the D.P.I. Bihar.

(7) Aboriginal grant: The aboriginal students who were paying tuition fees at reduced rates have been facilitated with full freeship and the loss thus accrued is thus compensated out of this grant to all the non-government high schools.

(8) Grant for revision of scales of pay to teachers and clerks in non-Government high schools recognised up to 31st March, 1949: This includes the difference of pay in the old scales of pay and the prescribed scales of pay of teachers as on 1.4.49 plus the compensation for loss of free income due to raising of free studentship from 10% to 15% due to admitting Harijan students free and aboriginal students at reduced rates and making the primary education free in classes IV and V.

(9) Grants for annual increments to teachers and clerks:

It is paid to schools recognised fully or partially up to 31st March, 1949. From 1st April, 1949,

different scales of pay have been prescribed for teachers holding different qualifications in non-government high schools. The annual increment in these prescribed scales is met out of this grant.

(10) Grant for revised scales of pay with effect from

1.4.57: This grant is paid to schools recognised fully or partially up to 31st March, 1957. From 1.4.57

Government announced higher scales of pay to teachers.

The difference is met out of this grant.

(11) Lump Sum grant: Under this schools recognised after 31st March, 1949 are sanctioned grants on the basis of (a) roll strength of the school - from Rs. 200 to Rs. 400; (b) results of S.S. Examination - from Rs. 500 to Rs. 1,000; (c) attendance - Rs. 300 to Rs. 400; and (d) fixed contingencies which is Rs. 900 per school.

(12) Grant for compensation of loss of fee income:

This grant is paid to schools recognised after 31st March, 1949 as compensated for loss of fee income for admitting Harijan students free and aboriginal students at reduced rates.

Grant in aid to elementary schools

There is a District Education Fund under a District Superintendent subject to the general control of the Director for distribution of grants-in-aid and for the general supervision of the finances, accounts, maintenance and management of aided schools. The Committee or Panchayat in charge of any school receiving grant-in-aid has to appoint a secretary to correspond with the District Superintendent.

Only schools old or new which are included in the Plan are eligible to a grant. Application for inclusion of schools in the Plan should be made to the D.S.E. The eligibility is also based on whether the school can adopt a scale of establishment not lower than prescribed by Government. This rule can only be relaxed in exceptional cases. Grants are ordinarily sanctioned for periods of three years but may be increased, reduced, suspended or withdrawn for stated reasons.

Middle Schools

(a) The purposes for giving grant-in-aid to middle schools (including classes VI and VII)

are essentially the same as those relating to primary schools as given below.

(b) In so far as grants-in-aid to Expansion and Improvement Programme of elementary schools is concerned, the grant is given on the basis of teacher units which are sanctioned depending upon the enrolment of the school.

(c) Deficit grants from Government funds are also paid to selected privately-managed middle schools to make up their deficit and make payment of salary and allowances to their teachers in accordance with the sanctioned scales of pay.

(d) Finally, there are the middle and primary schools which were maintained and aided by erstwhile landlords and which consequent upon the abolition of the Zamindari and liquidation of the smaller estates have to depend upon Government funds for their maintenance.

Primary Schools

Primary education (classes I to V) being the responsibility of the State Government practically the entire cost involved in providing primary education is met by the State Government. Schools established before 1949 received the bulk of the grants from the State Government with this difference that in their case financial assistance varying from 15 to 20 per cent is also being given from the funds of local bodies and other sources.

(a) Specific purposes grants: Grants are given for payment of the salary and allowances including dearness allowance to teachers and menials; improvement and maintenance of the library; award of prizes; repairs, contingencies, teaching of craft, supply of

furniture, teaching aids; appliances and equipment.

(b) Substantial grants are also given for the construction of buildings.

(c) Schools opened under the Expansion and Improvement Programme of Primary education, primary schools for Harijans, primary schools for backward Muslim community children and stipendary schools receive 100% financial grants from the State Government.

In so far as salaries of teachers of different categories of elementary schools is concerned, the State Government have prescribed identical scales of pay for teachers possessing identical qualifications and taking upon themselves the responsibility of meeting the extra cost involved on this account.

Grant-in-aid to Teachers to Teachers Training Schools

Besides the 101 Teacher Training Schools directly administered by Government there are 12 non-government teachers training schools. A budgetary provision of Rs.95,000 for giving financial assistance to these institutions is made every year. The main purpose for which financial assistance is given are primarily two: (a) payment of stipend or part thereof to trainees; and (b) meeting a certain portion of the maintenance cost.

All the training schools have to follow the common syllabus approved by the Department. The duration of the course is two years.

The District Education Officers who inspect the schools recommend the amount of grant to be given to each school. This is examined in the Directorate and if the total amount required exceeds the budgetary provision of Rs. 95,000 the amount of grant to each of these schools is proportionately reduced.

Grant in aid to Pre-primary Schools

There are over 100 pre-primary schools in the State and the number is increasing. They vary in respect of financial resources, management, standard and quality of education. More than half of them are unregistered and have, therefore, never been inspected by the Department. The tuition fees vary from Rs. 15 to Rs. 20 per mensem.

A sum of Rs.50,000 is provided in the State Budget each year for giving non-recurring grants to the pre-primary schools.

About half the number of schools which have also been inspected by the inspecting officers are considered for the grant. The grant given is intended for maintenance only and is invariably of a non-recurring character.

Grant-in-aid to schools for the Handicapped

Grants are given for the following purposes :-

- (a) Assistance to voluntary organisations devoted to development of education of handicapped children (blind, deaf and dumb).
- (b) Direct grant to non-government special schools for handicapped.
- (c) Stipends to handicapped children at Rs. 25 per month per child.
- (d) Scholarships to students in Arts Colleges at Rs. 50 per month per child.

The stipends and scholarships to the handicapped students are sanctioned on the basis of merit and means. The grants are given on the recommendation of the inspecting officers.

Size and Significant Areas of Private Enterprises.

Bihar

1956-57

1961 - 62

	Total number of Private Educational Institutions			Percentage of Private Educational Institutions to total No. of Institutions			Total No. of Private Educational Institutions			Percentage of Private Institutions to total No. of Institutions		
	for Boys (2)	for Girls (3)	Total (4)	for Boys (5)	for Girls (6)	Total (7)	for Boys (8)	for Girls (9)	Total (10)	for Boys (11)	for Girls (12)	Total (13)
Science	50	5	55	100.0 (50)	100.0 (50)	100.0 (55)	99	13	112	100.0 (99)	100.0 (13)	100.0 (112)
Professional Colleges including Commerce, Arts & P.W.D.	6	-	6	40.0 (15)	-	40.0 (15)	8	-	8	36.4 (22)	-	36.4 (22)
Colleges	3	-	3	100.0 (3)	-	100.0 (3)	4	-	4	100.0 (4)	-	100.0 (4)
Free Colleges	2	-	2	100.0 (2)	-	100.0 (2)	2	-	2	100.0 (2)	-	100.0 (2)
Education (Including P.W.D. Education)	2	1	3	33.3 (6)	100.0 (1)	42.9 (7)	1	1	2	20.0 (5)	100.0 (1)	33.3 (6)
Primary Education	946	30	976	95.8 (987)	65.2 (46)	94.5 (1,033)	1,526	73	1,599	97.3 (1,568)	77.7 (94)	96.2 (1,662)
Technical Education (Excluding Engineering, P.W.D. Education, Arts, Crafts Tech. Industrial Schools)	-	1	1	- (27)	100.0 (1)	3.6 (28)	-	1	1	- (43)	100.0 (1)	2.3 (44)

Grant-in-aid to Private Educational
Institutions

Prior to the formation of the State of Gujarat (i.e. in 1960), the Grant-in-aid Rules applicable to all the areas of the State were those of the old Bombay State (Revised Grant-in-aid Code for Schools and Colleges, 1957). In 1962, the State Government set up a committee, under the Chairmanship of Shrimati Hansa Mehta, to prepare the revised grant-in-aid rules. The committee has submitted its report which has been examined by Government. On the basis of this report, a new grant-in-aid Code has been brought into force with effect from 1st April, 1964. Part I of the Code, which applies to secondary schools, has been published and Part II, which applies to other institutions, is under print.

2. Extent of private enterprise: The statistics of private educational institutions in Gujarat in 1961-62 are given in Annexure I.

It may be stated that the extent of private enterprise in Gujarat may be considered as average (on a three point scale - low, average and high). In 1961-62, the percentage of private educational institutions in Gujarat to total was 36.0 as against 33.2 for the Indian Union as a whole. It will also be seen from Annexure I that, in Gujarat, private educational enterprise conducts 85.7 per cent of the Arts and Science Colleges, 85.7 per cent of Law Colleges, 88.9 per cent of Commerce Colleges, 66.7 per cent of Educational Colleges and 70 per cent of other Professional Colleges. At the secondary stage, private enterprise conducts 66.7 per cent of the schools of General Secondary Education and 82.1 per cent of Vocational Secondary Schools. About 45.9 per cent of the training schools for teachers are conducted by private enterprise.

At the elementary stage, private enterprise plays a very small part and conducts only 5.3 per cent of the middle schools and 8.0 per cent of the primary schools. At the pre-primary stage, 88 per cent of these schools are conducted by private enterprise.

3. Grant-in-aid to Universities: There are three Universities in the State - Baroda, Gujarat and Vallabh Vidyapith. The first two receive grant-in-aid on a block basis and the third on a deficit basis.

4. Grant-in-aid to Colleges of Arts and Science (including Colleges of Commerce, Training Colleges and other Professional Colleges): The revised Grant-in-aid Code has not yet come into force. Colleges affiliated to statutory universities in the State will be held eligible for annual grants subject to funds at the disposal of Government in accordance with the following rules:-

i) No grant of any kind will be paid to Arts and Science, Commerce or Secondary Training College which has surplus or balance on hand including that of the previous year of Rs. 1 lakh and over.

ii) For the rest of the colleges who do not come under the category shown above colleges will be divided into three categories mainly according to their standing and location and considered for grants equal to 10%, 15% or 20% of the approved expenditure during the previous year.

Special grants for construction of buildings or on the re-payment of loans for construction of buildings will be paid at 25% of the expenditure, if necessary, in suitable instalments.

The grants-in-aid to colleges are paid once a year after it is assessed and finalised.

5. Grant-in-aid to Secondary Schools: Under the revised rules, which have been brought into force, secondary schools are divided into four categories:-

- (i) Secondary schools in urban areas - an urban area being defined as a place with more than 10,000 population;
- (ii) Secondary schools in rural areas;
- (iii) Secondary Girl Schools in rural areas; and
- (iv) Post-Basic Schools.

The Secondary Schools are eligible for four different types of grants: (a) Maintenance grants; (b) Equipment grants; (c) Building grants; and (d) Such other grants as may be sanctioned by the Director from time to time.

Maintenance grants: (i) schools in urban area receive 45% of admissible expenditure, (ii) schools in rural area 50% of the admissible expenditure, (iii) girls schools in rural area 55% of the admissible expenditure and (iv) Post-Basic Schools, 60% of the admissible expenditure.

New secondary schools may be considered by the Director at his discretion for the payment of ad hoc grants during the first year of the recognition provided necessary funds are available. The amount should not exceed 25% of the admissible expenditure and should be paid on the basis of efficiency only.

In addition to the maintenance grants mentioned above, the Director may sanction at his discretion, provided necessary funds are available, additional grants not exceeding 50% of the admitted expenditure to selected schools both from urban and rural areas.

Vocational Secondary Schools including Technical High Schools are eligible for maintenance grant at 50% of the admitted expenditure and for non-recurring equipment grant @ 50% of the admitted expenditure of their vocational standards only.

Schools charging tuition fees at rates higher than twice the rates prescribed for their areas are not eligible for grant-in-aid of any kind.

Building grants: Management of educational institutions may be paid for building grants for purchasing, erecting, enlarging or reconstructing buildings at the rate not exceeding 1/4th of the total expenditure.

Equipment grant: Expenditure on school equipment such as school furniture, library, laboratory, workshop, audio-visual and other teaching aids including equipment on craft is admissible for maintenance grant provided it is upto the limit of 12% of total direct expenditure. Expenditure on equipment exceeding this limit will be eligible for ad-hoc grants up to 25% of such excess expenditure. For new schools, the grant may be raised to 50% on production of a certificate that no grant on such articles was previously received by the institution.

Grants to hostels: Reasonable expenditure on hostels attached to schools in rural areas such as on salary or allowances of the hostels, hostel buildings and the rent of the hostel building and other necessary expenses connected with the proper management of the hostels may be admitted for the maintenance grant. Government has also prescribed list of admissible and non-admissible items of expenditure.

Grants-in-aid to Secondary schools are paid quarterly.

6. Grants-in-aid to Primary and Middle Schools: There are no separate Middle Schools in Gujarat and the system of primary education covers Class I to VII. Maintenance grants for these institutions are given on a capitation basis. The maximum maintenance grant payable to an approved private school shall be limited to

(a) Rs. 12 per pupil in the case of pupils of backward communities and girls.

(b) Rs. 10 per pupil in the case of other pupils provided that the total grant under the above rule to any

approved private school shall not exceed the normal admissible expenditure minus the fee received.

7. Grant-in-aid to Pre-primary Schools: The Pre-primary schools receive a grant of 25% of the admissible expenditure in the previous year. The expenditure incurred on meals to children and dearness allowance to the members of the staff is held admissible for the purposes of grant. All Pre-primary schools which receive grant-in-aid are not allowed to charge more than Rs. 2 as monthly fee and Nasta fees not exceeding Rs. 2 per month. No other fees is allowed to be charged in pre-primary schools.

The grants-in-aid to re-primary and primary schools are paid yearly.

8. Teacher Training Colleges: The Secondary Teacher Training Colleges receive grants under the same rules as Arts and Science Colleges. A new Grant-in-aid Code is being formulated for the Teacher Training Colleges in the State which should be out very soon.

9. Grant-in-aid to Teacher Training Schools: The annual maintenance grant to a Primary Training School is calculated at $66 \frac{2}{3}\%$ of the admissible expenditure in the previous year, subject to a maximum of Rs. 200 per pupil in average attendance during the previous year.

ANNEXURE I

Size and Significant Areas of Operation of Private Enterprise in Gujarat (1961-62)

Type of Institutions	Total Number of Private Educational Institutions			Percentage of Private Educational Institution to Total Number of Institution		
	For Boys	For Girls	Total	For Boys	For Girls	Total
Arts & Science Colleges	41	7	48	83.7 (49)	100.0 (7)	85.7 (56)
■ Professional Colleges (Excluding Commerce, Law Education, and Physical Education)	14	-	14	70.0 (20)	-	70.0 (20)
■ Law Colleges	6	-	6	85.7 (7)	-	85.7 (7)
■ Commerce Colleges	8	-	8	88.9 (9)	-	88.9 (9)
■ Education (including Physical Education)	5	1	6	62.5 (8)	100.0 (1)	66.7 (9)
6. Secondary Schools	914	80	994	82.9 (1,103)	74.8 (107)	82.1 (1,210)
7. Secondary Vocational Schools (Excluding Commerce, Education, Physical Education and Technical Industrial and Arts and Crafts)	6	14	20	17.6 (34)	45.2 (31)	30.8 (65)
8. Technical, Industrial Arts & Crafts Schools	26	57	83	29.5 (88)	98.3 (58)	56.8 (146)
9. Commerce Schools	87	-	87	100.0 (87)	-	100.0 (87)
10. Teacher's Training Schools (Including Physical Education)	22	12	34	40.0 (55)	63.2 (19)	45.9 (74)
11. Special Educational Colleges	8	1	9	100.0 (8)	100.0 (1)	100.0 (9)
12. Special Education Schools (Excluding Adult Education & Education of the Handicapped)	30	5	35	62.5 (48)	83.3 (6)	64.8 (54)
13. Schools for the Handicapped	9	2	11	52.9 (17)	100.0 (2)	57.9 (19)
14. Middle Schools	342	31	373	5.4 (6,350)	4.4 (706)	5.3 (7,056)
15. Primary Schools	892	52	944	7.7 (11,572)	19.0 (274)	8.0 (11,846)
16. Pre-Primary Schools	365	-	365	88.0 (415)	-	88.0 (415)

Grant-in-aid to private Educational Institutions

1. Extent of private enterprise: The extent of private enterprise in Kerala may be regarded as high (on a three-point scale - low, average and high) being second highest in the country. In 1956-57, the percentage of private educational institutions to total in Kerala was 62.7 as against the all-India average of 32.8. The position has not changed very much though there has been a slight fall in the number of private institutions. In 1960-61, the percentage had fallen to 61.6 as against an all-India average of 33.2.

The statistics given in Annexure I show the variation in the number of private educational institutions of different types in Kerala between 1956-57 and 1961-62 and their percentage to total number of educational institutions. It will be seen that increases have taken place in Arts and Science Colleges (from 35 to 37), Professional Colleges (from 1 to 3), Education (from 3 to 15), Secondary Schools (from 582 to 651), Vocational Schools (from 1 to 5), Technical, Industrial, Arts & Crafts schools (from nil to 54), Teachers Training Schools (17 to 49), Middle Schools (from 1012 to 1408), and Pre-primary schools (from 5 to 42). Decreases have taken place in Commerce Schools (from 11 to nil), Special educational schools (from 10 to 3) and Primary Schools (from 4253 to 4060).

II. Grant-in-aid to Colleges:

Arts & Science and Training Colleges: A sum of money is annually set apart for grants-in-aid to private Arts and Science and Training Colleges affiliated to the Kerala University. The objects for which grant may be given are:

(1) Teaching grants:

(a) The grant is considered as supplementary to the income of the college from fees, endowments,

subscriptions, donations and other sources. The teaching grant is paid to a college based on the receipts and expenditure of the institution during the previous financial year, provided that the amount determined by the Government after taking into consideration all circumstances of the case shall not exceed 60% of the excess in the approved recurring expenditure over the income from tuition fees reckoned at standard rates in the previous financial year. In the case of Training Colleges, a grant shall not also exceed the rate of Rs. 70 per student per year.

(b) The approved recurring expenditure includes the expenditure on teaching and non-teaching staff, taxes, ordinary repairs and up keep, contingencies as laid down. The scales of the staff are prescribed by the Government from time to time in consultation with the University. D.A. at the rates in force for Government servants is taken into account for fixing the grant. The pattern and number of teaching staff who may be accepted for purpose of grant shall conform to the rules laid down in this behalf by the University with the approval of the Government.

(c) In addition a grant equal to the loss of fee income on account of award of fee concessions approved by Government is paid to the management.

(2) Building grant may not exceed one-half of the cost of the work as approved or one-half of the actual cost of construction, whichever is less subject to a maximum of Rs. 25,000 in the case of Arts & Science Colleges and Rs. 7,000 in the case of Training Colleges.

(3) Grants for purchase of books, apparatus and furniture may not exceed one-half of the excess expenditure over the funds available in the special fees or other funds created by the management for the purpose. The matching funds have to be provided by the management.

Oriental colleges in the whole State are generally

governed by the Madras Grant-in-Aid Code. Only teaching grants are given which may not exceed two-thirds of the approved net cost of maintenance for the previous financial year, i.e. two-thirds of the excess of the approved recurring expenditure over the income. The approved recurring expenditure includes salaries of teaching and non-teaching staff, rent paid, if any, from the institution, ordinary repairs, contingencies. By income is meant the income derived from tuition fees reckoned at standard rates.

III. Grant-in-aid to Secondary Schools:

(1) With the introduction of Kerala Education Rules in 1958, the direct payment system came into vogue for aided schools. The Headmasters of aided schools prepare the salary bills and present them to the Treasury for encashment after getting it countersigned by the controlling officers concerned.

(2) Maintenance grant is paid to the managements on a specified rate based on the strength of classes in a school as on the 16th working day from the re-opening day in June.

(a) In the case of secondary schools the rate is Rs. 3.50 per annum per pupil. If any of the standards are run on shift system the number of pupils to be taken into account will be one-half of the number of students in the morning and the evening sessions together.

(b) Maintenance grants may be paid for certain specified items such as repairs, purchase of appliances, contingencies, purchase of books, water and electric charges etc. Items the expenditure for which is met or is to be met out of special fees are not included. Schools in Malabar District conducted in rented buildings are given

the amount previously paid by the Government of Madras towards rent of the school building. If this is done, a deduction is made at a fixed rate from the maintenance grant. 50% of the grant paid during the previous year is paid in advance in April or 1st week of May. The educational officers have to check whether the grant has been properly and fully utilised. Excess, if any, sanctioned for a year is adjusted towards the maintenance grant for the succeeding year.

IV. Grant-in-aid to Lower Primary and upper primary schools:

As for secondary schools except that the rate for maintenance grant is Rs. 2.25 per pupil per annum.

V. Grant-in-aid to training schools:

As for secondary schools except that the rate for maintenance grant is Rs. 6/- per annum per trainee.

VI. Grants-in-aid to Pre-primary Schools:

(1) A non-recurring grant of Rs. 1,000 for the purchase of equipment; and

(2) A recurring grant of Rs. 1,000 for a school with one Unit i.e. a school with 35 to 50 pupils are given - the salary for teacher is fixed by Government. If the strength exceeds 52, the school becomes eligible for an additional recurring grant of Rs. 500/-.

(3) A uniform fee of Re.1 per month may be levied.

VII. Grant-in-aid to the schools for the handicapped:

(1) Grant is paid equal to the salary and allowances actually paid to the staff members as per list and rates approved by the Department.

(2) Boarding grant is also payable which is two-thirds of the actual expenditure not exceeding that calculated on the basis of the monthly rate sanctioned for a pupil of a school for the handicapped maintained by Government. Pupils whose parents are in receipt of an annual income exceeding

Rs. 1,000 are not eligible for the grant.

(3) Building and equipment grant limited to one-third of the expenditure incurred in accordance with estimates approved by the Department is also payable.

(4) The maintenance grant payable to a school is fixed in accordance with the rules applicable to other normal aided schools.

Table No.1. Size and Significant Areas of Operation of Private Enterprise Kerala

Year	1956-57						1961-62					
	Total Number of Private Educational Institutions			Percentage of Private Ed. Inst. to total number of Institutions			Total Number of Private Educational Institutions			Percentage of Private Edl. Institutions to total Number of Institutions		
	For Boys	For Girls	Total	For Boys	For Girls	Total	For Boys	For Girls	Total	For Boys	For Girls	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Arts & Science Colleges.	26	9	35	81.3 (32)	90.0 (10)	83.3 (42)	28	9	37	75.7 (37)	90.0 (10)	78.7 (47)
Professional Colleges (Excl. Commerce, Edn., Phy. & Law)	1	-	-1	16.7 (6)	-	16.7 (6)	3	-	3	27.3 (11)	-	27.3 (11)
Law Colleges.	-	-	-	-	-	(2)	-	-	-	(2)	-	(2)
Commerce Colleges.	-	-	-	-	-	-	1	-	1	100.0 (1)	-	100.0 (1)
Education (Including Physical Education.	2	1	3	40.0 (5)	100.0 (1)	50.0 (6)	13	2	15	68.4 (19)	100 (2)	71.4 (21)
Secondary Schools	479	103	582	78.1 (613)	79.8 (129)	78.4 (742)	541	110	651	69.2 (782)	74.8 (147)	70.1 (929)
Sec. Vocational Schools (Excluding Commerce, Edn. & Tech. Indu.)	1	-	1	7.7 (13)	-	7.1 (14)	5	-	5	21.7 (23)	-	20.8 (24)
Tech., Industrial and Arts & Crafts Schools.	-	-	-	-	-	-	37	17	54	57.8 (64)	60.7 (28)	58.7 (92)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
9. Commerce Schools		11	-	11	84.6 (13)	-	84.6 (13)	-	-	-	-	-
10. Teachers' Trg. Schools (Including Phy. Edn.)		11	6	17	40.7 (27)	60.0 (10)	45.9 (37)	38	11	49	59.4 (64)	61.1 (18)
11. Special Education Colleges.		6	-	6	85.7 (7)	-	85.7 (7)	6	-	6	85.7 (7)	-
12. Special Edn. Schools (Excluding Adult Education and Education of Handicapped)		10	-	10	38.5 (26)	- (1)	37.0 (27)	3	-	3	23.1 (13)	- (1)
13. Schools for the Handicapped.		-	-	-	- (2)	-	- (2)	2	-	2	28.6 (7)	-
14. Middle Schools		996	16	1,012	74.3 (1,341)	61.5 (26)	74.0 (1,367)	1,399	9	1,408	71.6 (1,954)	69.2 (13)
15. Primary Schools		4,237	16	4,253	57.7 (7,339)	47.1 (34)	57.7 (7,373)	4,037	23	4,060	56.8 (7,113)	69.7 (33)
16. Pre-Primary Schools		5	-	5	83.3 (6)	-	83.3 (6)	42	-	42	91.3 (46)	-

Grant-in-Aid to Private Educational Institutions

The present State of Madhya Pradesh was formed by integrating four units, viz., Mahakoshal area of the old Madhya Pradesh State, Madhya Bharat, Vindhya Pradesh and Bhopal. Each of these four integrating Units had its own set of grant-in-aid rules which continued in operation till 31st March, 1960. With effect from 1st April, 1960, unified rules for grant-in-aid to non-Government educational institutions in the entire area of Madhya Pradesh were brought into force.

2. Extent of Private Enterprise: The extent of private enterprise in Madhya Pradesh should be regarded as low (on a three-point scale - low, average and high). In 1956-57, the percentage of private educational institutions in Madhya Pradesh to total number of educational institutions was only 3.9 (as against an all-India average of 32.8) and in 1960-61 it increased only to 4.6 (against an all India average of 33.2). The reasons are not far to seek. The three units which now compose Madhya Pradesh Madhya Bharat, Vindhya Pradesh and Bhopal - were erstwhile princely Indian states and in these areas, private enterprise was not generally allowed to grow. It is only in the Mahakoshal area (which was part of the old British Indian province of Central Provinces & Berar) that private enterprise in the field of secondary and collegiate education, developed on a fair scale.

The grant-in-aid rules framed by the State Government are liberal and there is also a policy to encourage private enterprise to the extent possible. The number of private educational institutions is, therefore, increasing, although at a slow pace.

The statistics of private educational institutions in Madhya Pradesh are given in Annexure I.

3. Grant-in-Aid to Universities: There were three Universities in Madhya Pradesh - Sagar, Jabalpur and Vikram. Recently, three more Universities have been set up at Indore, Gwalior and Raipur. There is, in addition, a Music University - the Indira Sangeet Kala Vidyalaya - at Khairagarh and there is a proposal to established an Agricultural University at Jabalpur. The State will thus have eight universities in all. The grants-in-aid to all these Universities are block grants.

4. Basis of Grant-in-aid: For all types of private educational institutions (except Anglo-Indian Schools), there is one uniform principle of grant-in-aid. The grant-in-aid is assessed as equal to 75 per cent of the admissible expenditure or the net deficit, whichever is less. In defining admissible expenditure, detailed conditions have been laid down.

For instance, the requirements of staff for each type of institution have been prescribed. The scales of pay of the Heads of institutions, teaching staff, clerical and other class IV servants are required to be in accordance with those sanctioned for the corresponding categories of the employees in government educational institutions. The contingent expenditure is also prescribed according to specific rules. The rates of fees, as well as the expenditure on free studentships and other concessions, are also laid down. It, therefore, becomes easy to determine the total 'approved' expenditure of an institution for the purpose of grant and also to determine its income. The grant-in-aid is then calculated at 75 per cent of the total approved expenditure, or the net deficit, whichever is less.

Maintenance grants are sanctioned for a year at a time, and are payable in two half-yearly instalments.

As a rule, maintenance grants to institutions are assessed once in three years, and an assessed grant holds good for the entire period, including the year of assessment. A maintenance grant is not reassessed during this period even if the expenditure of the institution is increased, except in cases where the increase is the result of expansion effected with the previous approval of the State Government.

The main lacuna in the Madhya Pradesh Rules relates to the definition of 'income'. Under Rule 32 of the Grant-in-Aid Rules, the income of the school is held to be the total amount derived from fees, subscriptions and endowments and grants from local bodies or authorities but does not include any grant from State funds. Because the total income is taken into consideration in this manner, there is no incentive on the institution to raise more funds (any such attempt on its part would only result in a reduction of the grant-in-aid). Nor is there any incentive to the institution to economise in expenditure. Consequently, the Madhya Pradesh system tends, in practice, to increase expenditure and to reduce the amount raised through non-governmental resources. This is the main reason why the grant-in-aid per pupil to several institutions in Madhya Pradesh is larger than the cost per pupil to Government in a Government institution. This aspect of the problem will have to be reconsidered by the State Government.

In addition to maintenance grants, grants can also be given for equipment and buildings. The maximum limit of the equipment grant is 50 per cent of the actual expenditure, except in the case of science laboratory fittings in respect of Physics, Chemistry (excluding Chemicals), Biology, Agriculture and technical subjects, workshops, gas plant and its installation, where the rate of grant is 75 per cent of the expenditure.

The extent of building grants is as follows:-

(a) For institutions in urban areas, it is one-third of the total expenditure. Urban areas shall be towns having a population of 10,000 or more according to latest census.

(b) The building grant for the following types of institutions shall be at 50 per cent of the total expenditure:-

- (i) for institutions in rural areas.
- (ii) for girls' institutions.
- (iii) for special institutions as pointed out earlier.
- (iv) for buildings directly necessary for the efficient teaching of science and technical subjects (excluding Domestic Science and Physiology Hygiene), viz., laboratories, workshops and science lecture theatres.

The building grant is payable subject to the satisfaction of other conditions laid down in this behalf.

Size and Significant Areas of operation of Private Enterprise in Madhya Pr

Type of Institution	1956-57						1961-62					
	Total number of Private Educational Institutions			Percentage of Private Edl. Insts. to total No. of Institutions			Total number of Private Educational Institutions			Percentage of Private Edl. Inst to total No. of Inst		
	For Boys	For Girls	Total	For Boys	For Girls	Total	For Boys	For Girls	Total	For Boys	For Girls	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1. Arts & Science Colleges	26	3	29	47.3 (55)	50.0 (6)	47.5 (61)	29	2	31	40.8 (71)		2
2. Professional Colleges (excluding Commerce Law, Education & Phy. Ed.)	2	-	2	13.3 (15)	- (-)	13.3 (15)	9	-	9	34.6 (26)		
3. Law Colleges	3	-	3	100.0 (3)	- (-)	100.0 (3)	9	-	9	100.0 (9)		
4. Commerce Colleges	1	-	1	100.0 (1)	- (-)	100.0 (1)	3	-	3	100.0 (3)		
5. Education Colleges (including Phy. Ed.)	-	1	1	0.0 (6)	100.0 (1)	14.3 (7)	1	-	1	1.5 (66)		
6. Secondary Schools	134	24	158	40.6 (330)	32.4 (74)	39.1 (404)	241	45	286	31.8 (758)		
7. Secondary Vocational Schools (excluding Commerce, Ed., Phy. Ed., Techn., Arts & Crafts)	2	-	2	6.1 (33)	0.0 (3)	5.6 (36)	2	-	2	7.7 (26)		
8. Techn., Arts & Crafts	2	8	10	4.3 (46)	80.0 (10)	19.6 (56)	2	12	14	4.1 (49)		

Contd.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
9. Commerce	1	-	1	100.0 (1)	-	100.0 (1)	1	-	1	100.0 (1)	
10. Teachers' Training Schools (including Phy. Ed.).	2	2	4	4.8 (42)	33.3 (6)	8.3 (48)	1	2	3	2.4 (42)	
11. Special Education Colleges.	-	-	-	0.0 (7)	0.0 (1)	0.0 (8)	16	3	19	48.5 (33)	
12. Special Education Schools (Excluding Adult Ed. & Handi- capped schools)	61	5	66	43.6 (140)	100.0 (5)	45.5 (145)	46	2	48	39.0 (118)	
13. Schools for Handi- capped.	2	-	2	66.7 (3)	-	66.7 (3)	3	-	3	60.0 (5)	
14. Middle Schools	97	24	121	6.8 (1,420)	13.0 (184)	7.5 (1,604)	128	22	150	4.7 (2,709)	
15. Primary Schools	536	69	605	2.5 (21,142)	4.3 (1,620)	2.7 (22,762)	776	90	866	2.8 (27,322)	
16. Pre-primary Schools	16	32	48	53.3 (30)	80.0 (40)	68.6 (70)	36	56	92	54.5 (66)	

Grant-in-aid to Private Educational Institutions

The educational policies in the Madras State have generally exercised a great influence on all the four Southern States. There, is, therefore, a good deal of common between grant-in-aid rules of Madras, Andhra Pradesh, Mysore and Kerala. With effect from the current year, the Madras State has introduced free education till the end of the secondary stage. The system of grant-in-aid to middle and secondary schools is, therefore, undergoing considerable changes.

2. Extent of Private Enterprise: The extent of private enterprise in Madras may be regarded as average. In 1956-57, for instance, the percentage of private educational institutions to total in Madras was 38.3, as against 32.8 for the Indian Union. In 1960-61, it fell down to 33 against 33.2 for the Indian Union. At the collegiate stage, 86.4 per cent of the colleges of Arts and Science are conducted by private enterprise. In professional colleges, however, the proportion of private enterprise falls to 38.9 per cent and that in colleges of education to 46.2 per cent. The proportion of private secondary schools in Madras is only 41.5. This is because a very large number of secondary schools in the State are maintained by Local Bodies - the District Boards and the Municipalities. Private enterprise plays a very important role in training institutions for elementary teachers (62.5 per cent). At the primary stage, 24.8 per cent of the schools and at the middle school stage 41.6 per cent of the schools are conducted by private enterprise. Almost all

the pre-primary schools are conducted by private agencies. The statistics of private enterprise in 1956-57 and 1961-62 are given in Annexure I.

3. Grant-in-aid to Colleges: The recurring grant-in-aid to colleges of Arts and Science is not to exceed two-thirds of the excess of the approved expenditure over income from tuition fees, calculated at standard rates. In addition to this grant, the following is also paid:-

(1) A grant equal to one-half of the approved expenditure on payment of Dearness Allowance.

(2) A grant equal to the loss in fee income sustained by the management on account of the award of fee concessions as directed by Government.

(3) One half of the expenditure incurred on scholarships and fee remissions up to a limit to 10 per cent of fee income calculated at standard rates.

Non-recurring grants can also be paid to colleges for buildings and equipment. The maximum grant admissible to a college for any scheme is one-half of the actual approved expenditure or Rs. 75,000 whichever is less. Grants for equipment are also given on 50 per cent basis, subject to a maximum of Rs. 10,000 for each scheme.

4. Grant-in-aid to Secondary Schools:- Consequent on the decision of Government with effect from 1964-65, to abolish the levy of fees in all secondary schools, the earlier system of grant-in-aid has been considerably changed. Under the system, every secondary school receives (1) a staff grant, and (2) a maintenance

(1) Staff grant: This covers the entire expenditure, as approved, on pay and dearness allowance of the teaching and the non-teaching staff and is paid monthly.

(2) Maintenance Grants: The approved expenditure on the maintenance is also paid in full by Government subject to a cut of Rs. 1500 which is deemed to be the annual contribution payable by the management towards maintenance.

5. Grant-in-aid to Elementary Schools: The recurring grant to elementary schools is equal to the entire expenditure on the salaries and allowances of teaching staff plus a maintenance grant.

Building grants not exceeding half the total cost can be given subject to a limit of Rs. 4000 for lower elementary schools and Rs. 7000 for higher elementary school. For Basic schools, the grant is given at 75% of the total cost subject to a minimum of Rs. 9000 for Junior basic schools and Rs. 15,000 for senior basic Schools. Equipment grants are also given at not more than 50 per cent.

Size and Significant areas of Operation of Private Enterprise

1956-57													1961-62												
Institutions	Total number of private Educational Institutions			Percentage of Private Educational Institutions to Total Number of Institutions			Total Number of Private Educational Institutions			Percentage of Private Educational Institutions to Total Number of Institutions															
	For Boys	For Girls	Total	For Boys	For Girls	Total	For Boys	For Girls	Total	For Boys	For Girls	Total													
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)													
Arts & Science Colleges	34	14	48	82.9 (41)	93.3 (15)	85.7 (56)	36	15	51	83.7 (43)	93.8 (16)	86.4 (59)													
Professional Colleges (excluding Commerce, Law, Edn. & Phy. Edn.)	6	-	6	40.0 (15)	-	40.0 (15)	7	-	7	38.9 (18)	-	38.9 (18)													
Law Colleges	-	-	-	(1)	-	(1)	-	-	-	(1)	-	(1)													
Commerce Colleges	-	-	-	-	-	-	-	-	-	-	-	-													
Education (including Phy. Education)	9	1	10	69.2 (13)	33.3 (3)	62.5 (16)	32	34	66	35.6 (90)	64.2 (53)	46.2 (143)													
Secondary Schools	333	118	451	45.9 (725)	69.8 (169)	50.4 (894)	468	161	629	36.8 (1,273)	66.0 (244)	41.5 (1,517)													
Secondary Vocational Schools (excluding Commerce, Edn., Y. Edn., and Tech. Edus. & Arts & Crafts)	5	-	5	55.6 (9)	-	55.6 (9)	15	-	15	65.2 (23)	-	65.2 (23)													
Technical, Industrial, & Arts & Crafts Schools	38	15	53	74.5 (51)	93.8 (16)	79.1 (67)	40	18	58	71.4 (56)	94.7 (19)	77.3 (75)													

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Commerce Schools	337	-	337	100.0 (337)	-	100.0 (337)	432	-	432	100.0 (432)	-	100.0 (432)
Teachers' Training Schools (including Primary Education)	28	42	70	35.9 (78)	68.9 (61)	50.4 (139)	4	11	15	66.7 (6)	61.1 (18)	62.5 (24)
Special Education Colleges	14	-	14	87.5 (16)	-	87.5 (16)	18	-	18	90.0 (20)	-	90.0 (20)
Special Edn. Schools (Excluding Adult & Handicapped Edn.)	16	1	17	48.5 (33)	16.7 (6)	43.6 (39)	12	3	15	41.4 (29)	37.5 (8)	40.5 (37)
Schools for the Handicapped	6	-	6	50.0 (12)	-	50.0 (12)	11	-	11	64.7 (17)	-	64.7 (17)
Middle Schools	258	16	274	58.6 (440)	80.0 (20)	59.6 (460)	2,006	8	2,014	41.5 (4,838)	88.9 (9)	41.6 (4,847)
Primary Schools	7,456	-	7,456	35.0 (22,608)	-	35.0 (22,608)	5,870	-	5,870	24.8 (23,651)	-	24.8 (23,651)
Pre-Primary Schools	-	33	33	-	100.0 (33)	100.0 (33)	-	34	34	-	100.0 (34)	100.0 (34)

Grant-in-aid to Private Educational Institutions

The present State of Maharashtra has been formed by combining three distinct units; (a) The Western Maharashtra area which formed part of the old Bombay State; (b) the Vidarbha area which formed part of the Madhya Pradesh; and (c) the Marathwada area which formed part of old Hyderabad State. The grant-in-aid rules applicable to these three areas were different in 1956 when the bigger bilingual Bombay State was constituted. Since then attempts have been made to introduce a uniform set of Grant-in-aid Rules applicable to all parts of the State. This has only partly succeeded so far and there are still some variations.

2. Extent of private enterprise: The statistics of private enterprise in Maharashtra in 1961-62 are given in Annexure

It may be stated that the extent of private enterprise in Maharashtra is a little more than average (on a three point scale of low, average and high). In 1961-62, the percentage of private educational institutions in Maharashtra in toto was 48.0 as against 33.2 per cent for the Indian Union as a whole. Most of the private educational institutions in Maharashtra operate in the field of pre-primary, secondary and higher education. At the primary stage the extent of private enterprise is low particularly in Vidarbha and Marathwada regions.

3. Grants-in-aid to Universities: There are six Universities in Maharashtra State - Bombay, Poona, Shivaji University at Kalhapur, Nagpur, Marathwada and the S.N.D.T. Women's University, Bombay. The maintenance grants-in-aid to these universities are given on a block basis.

4. Grants-in-aid to Research and Cultural Institutions: The grant-in-aid to these institutions is paid at the maximum rate of 25% of the admissible recurring expenditure of

previous year. The grant is subject to reduction if the institution has a surplus over approved expenditure. But the reduction is made only to the extent of excess of saving over 10% of the above expenditure. In other words, an excess of 10% of the approved expenditure is allowed to be enjoyed as surplus.

5. Grant-in-aid to non-government Arts, Science, Commerce and Secondary Teachers Colleges: For purposes of grant-in-aid, all colleges (excluding Law Colleges which do not receive grant-in-aid), are divided into two categories:
(a) Colleges having an enrolment of 1,000 or less; and
(b) Colleges having an enrolment of more than 1,000. With regard to the surplus which is allowed to these two different categories, the following decisions have been taken:-

(a) Colleges having more than 1,000 students are allowed to retain savings or surplus to the extent of 10% of the approved expenditure. They are not paid any grant-in-aid if they have a surplus exceeding 10% of the approved expenditure.

(b) Colleges which have 1,000 or less than 1,000 students are allowed to have a saving or surplus to the extent of 20% of the approved expenditure. They are not held eligible for any grant-in-aid if the surplus exceeds this limit.

With the above conditions, the grants are worked out on the following five basis:-

I. For Colleges with 1,000 or less than 1,000 students.

(i) If the deficit is more than $46\frac{2}{3}\%$ of the approved expenditure, the grant is given at $33\frac{1}{3}\%$ of this expenditure.

(ii) If the deficit is less than $46\frac{2}{3}\%$ of the approved expenditure but is greater than 20% of the approved expenditure, the grant is given at the rate of 20% of the approved expenditure plus one-half of the difference between deficit and

20% of the approved expenditure.

(iii) If the deficit is less than 20% of the approved expenditure, the grant is given at full deficit plus one-half of the difference between 20% of the approved expenditure and the deficit.

(iv) If the saving is less than 20% of the approved expenditure, the grant is at one-half of the difference between 20% of approved expenditure and surplus.

(v) If the saving is greater than 20% of the approved expenditure, the college is not held eligible for any grant.

II. For a College with more than 1,000 students.

In the case of colleges having more than 1,000 students, the maintenance grant is assessed on the above basis subject to the change that, instead of 46 $\frac{2}{3}$ % of the approved expenditure, 56 $\frac{2}{3}$ % of the approved expenditure is taken into consideration and instead of 20% of the approved expenditure to be allowed as surplus, 10% of the approved expenditure only is allowed.

Building Grants:

Subject to funds being available after payment of maintenance grants, special grants on construction of buildings or on repayment of loans for construction of buildings is paid at 25 per cent, of the expenditure in suitable instalments, if necessary.

Token grants to new colleges:

In the case of new colleges, a token grant of Rs. 5,000 may be paid in the first year, subject to there being a deficit of not less than Rs. 5,000 in the budget estimates of the college for that year. In case where the estimated deficit is less than Rs. 5,000 the token grant will be limited to the amount of the actual deficit. No token grant will be payable to colleges, whose budget

6. Grants-in-aid to Secondary Schools: Prior to 1963, the rules of grant-in-aid to secondary schools in the three regions of the State were different. Since last year, the uniform grant-in-aid Code applicable to all parts of the State has been introduced, just as in the case of grants-in-aid to colleges described above.

The grants-in-aid to secondary schools are of four types: Maintenance grants, equipment grants, provident fund grants and building grants.

(a) Maintenance Grants: The maintenance grants to secondary schools are given as follows:

(i) 45% of the admissible expenditure to schools in urban areas (including D.A. at Government rate).

(ii) 50% of admissible expenditure to schools in rural areas (including D.A. at Government rate).

It may be stated that the Government have now taken the responsibility for paying the fees of children whose parents' income does not exceed Rs. 100 per month. In practice this amounts to Government paying fees of as many as 80% of the pupils, particularly in the rural areas. This grant is in addition to the maintenance grant described above.

(b) Equipment grant: Expenditure on equipment is admissible for normal grant upto the limit of 12% of the total actual expenditure exclusive of expenditure on equipment. Expenditure exceeding this limit is admissible for an ad hoc grant at 25% of such expenditure.

(c) Provident Fund Grant: One-third of the accumulation standing to his credit is paid as Government share to the teacher at the time of his retirement.

(d) Building grants: Building grant at the rate of one-third of the total expenditure in the case of the ordinary secondary school and 50% of the total expenditure in the case of vocational high schools is granted for erecting, purchasing or extending or reconstructing schools buildings. It is subject to the availability of funds.

It may also be stated that the vocational high schools (including multipurpose schools) are paid recurring maintenance grant at the rate of 50%. In so far as vocational high schools are concerned, 50% of committed expenditure on non-recurring equipment is paid as a non-recurring grant. The scheme of multipurpose schools has since been discontinued.

7. Grant-in-aid to Primary Schools: In Maharashtra, there are no middle schools as such. Classes I-VII form an integrated unit and are treated as primary schools.

The grant-in-aid to private primary schools in Maharashtra is paid in three different ways in the three regions, viz., Western Maharashtra, Vidarbha and Marathwada.

In Western Maharashtra, the **maintenance grant** of calculated at Rs. 12/- per backward class pupil and all girls and at Rs. 10/- for other pupils on the basis of the average attendance, provided the grant does not exceed the normal admissible expenditure of the school minus its fee receipts. For calculating the admissible grant, a system of marks is adopted to ensure a fairly high standard of work and efficiency of the schools. The marks are assigned as follows:-

(a) Range and quality of instruction	40
(b) Staff and conditions of service	15
(c) Accommodation	10
(d) School Records	10
(e) Personal Cleanliness & Discipline of pupils	10
(f) Proportion of the pupils in higher classes	8
(g) Prompt and effective supply of returns and statistics	7
Total	<u>100</u>

Under this system, a school must secure at least 70 marks for getting the full grant due and proportionate reduction are made for lesser number of marks. In addition to this maintenance grant, the following grants are also paid:-

<u>Grant</u>	<u>Rate</u>
(a) Dearness Allowance	At two-thirds of the actual expenditure
(b) Trained Teachers' Grant	At Rs. 5 per trained teacher per month
(c) Quinquennial grant	At Rs.25 for every five years of existence of the school.

Besides, equipment grants are also paid, subject to availability of funds.

The Government is considering a proposal to extend the grant-in-aid rules to primary schools, which now obtain in the Western Maharashtra region to Vidarbha and Marathawada.

8. Grant-in-aid to Pre-primary Schools: In the Western Maharashtra region, no grant-in-aid is paid to pre-primary schools which charge a tuition fee of more than Rs. 2 per month. The rate of grant-in-aid is usually 25 per cent of the admissible expenditure in the previous years; but in practice, the actual grant paid hardly reaches even this low limit. In the Vidarbha region, the urban pre-primary schools used to get grant-in-aid at 50 per cent of their approved expenditure and in rural areas, the grant-in-aid was as high as 90 per cent. But the Western Maharashtra rules have now been extended to the Vidarbha region and the same complaint of inadequacy of grant arise in this region also. In the Marathwada region, the grant-in-aid was given under the old Hyderabad rules of 1952, i.e. at two-thirds of the total approved expenditure minus income from standard rates of fees. However, here also the rates applicable in Western Maharashtra have been extended so that all the Pre-Primary Schools in the State receive only 25% of the admissible expenditure as grant.

9. Teacher Training Institutions: Training Schools for pre-primary teachers are paid grant-in-aid at 50 per cent of their approved expenditure.

Training institutions for primary teachers in the Western Maharashtra region are paid grants at two-thirds of their total approved expenditure. In addition, Government pays the fees of teachers deputed by it. In the Vidarbha region, the rate of grant-in-aid to training schools for primary teachers is very low - $33\frac{1}{3}$ per cent of the approved expenditure. A proposal to extend the Western Maharashtra Rules to the Vidarbha region is now under consideration. In the Marathwada region, the Western Maharashtra Rules are applicable.

The Training Schools for primary teachers have practising schools attached to them and these receive grants on a liberal basis, i.e., 100 per cent of the salary and allowances of staff and other contingent expenditure approved for the purpose. A non-recurring grant at two-thirds of the cost of equipment for crafts, books and apparatus, library and furniture is also given.

There are a number of Hindi Shikshak Sanad Classes started to meet the demand of Hindi trained teachers in secondary schools. The grant-in-aid to these classes is given at two-thirds of the admissible expenditure limited to the actual deficit incurred.

The Department conducts a Secondary Teachers Certificate Examination. There are a number of S.T.C. Institutes which prepare candidates for this examination. They are paid grants at the rate of one-third of the admitted expenditure or the actual deficit whichever is less.

There are a number of private institutions which train teachers for a Certificate or Diploma in Physical Education. These are given grant-in-aid at 50 per cent of the recurring admissible expenditure and 25 per cent of the non-recurring admissible expenditure.

ANNEXURE I

Size and Significant Areas of Operation of Private
Enterprise in Maharashtra (1961-62)

Type of Institution	Total number of Private Educational Institutions			Percentage of Private Educational Institutions		
	For Boys	For Girls	Total	For Boys	For Girls	Total
1. Arts & Science Colleges	88	9	97	91.7 (96)	100.0 (9)	92.4 (105)
2. Professional Colleges (Exclud- ing Law, Commerce, Education & Physical Edu- cation)	10	-	10	27.0 (37)	- (1)	26.3 (38)
3. Law Colleges	7	-	7	87.5 (8)	-	87.5 (8)
4. Commerce Colleges	14	-	14	93.3 (15)	-	93.3 (15)
5. Education (Inclu- ding Physical Education & Colleges)	124	3	127	93.9 (132)	75.0 (4)	93.4 (136)
6. Secondary Schools	2,125	214	2,339	90.0 (2,361)	88.4 (242)	89.9 (2,603)
7. Secondary Vocational Schools (Exclu- ding Commerce, Arts & Crafts, Education)	39	23	62	39.4 (99)	41.1 (56)	40.0 (155)
8. Technical, Indus- trial and Arts & Crafts Schools	69	147	216	57.5 (120)	100 (147)	80.9 (267)
9. Commerce Schools	33	-	33	76.7 (43)	-	76.7 (43)
10. Education (Inclu- ding Physical Education) Schools	100	38	138	66.2 (151)	76.0 (50)	68.7 (201)
11. Special Educa- tion Colleges	10	2	12	66.7 (15)	100.0 (2)	70.6 (17)
12. Special Educa- tion Schools (Excl- uding Adult Edu- cation; Handicapped)	83	11	94	87.4 (95)	68.8 (16)	84.7 (111)
13. Schools for the Handicapped	25	2	27	78.1 (32)	100.0 (2)	79.4 (34)
14. Middle Schools	484	50	534	5.1 (9,399)	7.5 (670)	5.3 (10,069)
15. Primary Schools	2,505	109	2,614	10.1 (21,687)	13.1 (829)	10.2 (25,516)

Grant-in-aid to Voluntary Educational
Organisations in Mysore State.

The present area of Mysore State includes (1) the areas of the ex-Mysore State; (2) the Bombay-Karnatak area which was transferred from the old Bombay State; (3) the Hyderabad-Karnatak area which was transferred from the old Hyderabad State; (4) the Madras-Karnatak area which was transferred from the Old Madras State; and (5) the District of Coorg which was Centrally administered. The grant-in-aid rules in force in these areas were different and, except in respect of secondary schools for which a common grant-in-aid code has now been introduced, they continue to be different even today.

2. The proposal to evolve a uniform system of grant-in-aid applicable to all areas of the present Mysore State is under the consideration of Government at present. Until such a code is evolved and finalised, the different systems of grant-in-aid now in operation in the different areas of the State will continue as before.

3. Grant-in-aid to Colleges:

(a) In the Bombay-Karnatak area, the private colleges, are divided into three categories, mainly on the basis of their standing and location. The grant-in-aid for these categories is given at 10%, 15% and 20% of the approved expenditure during the preceding year. In addition, grant-in-aid is given on dearness allowance paid to staff at 33-1/3 percent, provided the allowance is paid at government rates.

(b) In the ex-Madras area, the grant-in-aid to colleges is paid at two-thirds of the approved net cost of maintenance, i.e., two-thirds of the excess of the approved expenditure over income from tuition fees, calculated at standard rates. In addition, grant-in-aid

is given at 50 percent of the approved expenditure on dearness allowance provided it is paid at government rates.

(c) In the ex-Hyderabad area, the grant-in-aid to colleges is paid under the grant-in-aid rules of 1952, i.e., at 50 percent of the actual expenditure admissible for salaries, contingencies, freeships etc. after deducting fees receipts calculated at the rate of fee charged at the university rates. The grant-in-aid is also subject to a ceiling of Rs. 40,000 per year. There is no separate grant for dearness allowance; but the dearness allowance paid at government rates is included in the admissible expenditure.

(d) In the ex-Mysore area, the grant-in-aid to colleges is paid at 50 percent of the net expenditure (i.e., the total authorised expenditure minus the fee income at standard rates prescribed by the University). There is no special grant for dearness allowance which is included within the approved expenditure.

(e) There are no aided colleges in the Coorg area.

Non-recurring grants for buildings and equipment may also be given to colleges, subject to availability of funds:

(a) Equipment Grant: In the ex-Mysore areas, this is given at a rate not exceeding 50 percent of the total expenditure. In the ex-Hyderabad area, an ad hoc grant not exceeding Rs. 50,000 may be given on special occasions such as the introduction of the PUC or three year degree course. In the ex-Madras area, the grant-in-aid for equipment is admissible at 50 percent of the total expenditure. In the ex-Bombay area, there is no special grant

is included in approved expenditure for the purpose of maintenance grants.

(b) Building Grants: In the ex-Mysore area, building grants may be given at not more than 50 percent of the total expenditure. In the ex-Hyderabad area, the rules for building grants are the same as those in regard to the equipment grant. In the ex-Madras area, grants for buildings are given at 50 percent subject to a maximum of Rs. 75,000 in respect of first grade and training colleges, and Rs. 50,000 in respect of second grade colleges. In the ex-Bombay area, building grants are given at 25 percent of the total expenditure.

The standard rates of fees prescribed are given in Annexure III.

4. Grant-in-aid to Secondary Schools:- The State Government has been able to finalise a uniform system of grant-in-aid to all secondary colleges in the State. Under this system, maintenance grants to secondary schools are admissible at the following rates:

- (a) 80 percent of the net authorised cost of maintenance in urban areas, i.e., areas with a population of 50,000 and above; and
- (b) 85 percent of the net authorised cost of maintenance in rural areas.

In addition, grants for buildings and equipment may be given at 50 percent of the cost.

In calculating the net cost, the total approved expenditure minus income fees at standard rates (see Annexure IV) is taken into consideration.

5. Grant-in-aid to Primary Schools: The system of grant-in-aid to primary and middle schools is the same. It has not yet been possible for the State

for all the different areas in the State. The following system, therefore, now operates in the different parts:

- (a) Ex-Mysore area: The grant-in-aid to primary and middle schools is given at 75 percent of the net authorised expenditure which consists of the salaries of teachers, according to government rates, minus income from fees at standard rates.
- (b) Ex-Madras area: In the ex-Madras area, the grant-in-aid for primary and middle schools consists of two parts: (1) teaching grant, and (2) maintenance grants. The teaching grant is given at 100 percent of the total expenditure on the salaries of the teaching staff and the maintenance grant is given at not more than 15 percent of the teaching grant.
- (c) Coorg area: The same as in the ex-Madras area.
- (d) Ex-Bombay area: The grant-in-aid to private primary and middle schools is given under the Bombay Primary Education Rules of 1949. It is a capitation grant at Rs. 10/- for every boy in average attendance and at Rs. 12/- for every girl (or a student of the backward classes) in average attendance. In addition, grants are also given for such items as dearness allowance, the appointment of a trained teacher etc.
- (e) Ex-Hyderabad area: The grant-in-aid to primary and middle schools is given at two-thirds of the authorised expenditure minus the fee income at standard rates.

6. Pre-Primary Schools: In respect of pre-primary schools, the grant-in-aid is given at 50 percent of the total expenditure on salaries. This was the system in vogue in ex-Mysore area and it is now being adopted in other areas also.

7. Technical Institutions: Grant-in-aid for engineering colleges and polytechnics is given on the broad principles laid down by the Government of India throughout the plan period, the recurring and non-recurring expenditure being borne by the Government of India on a 50 percent basis. Of the balance, 25 percent is to be borne by the State and 25 percent by the institution concerned. After the Plan period is over, the Central Grant ceases to operate. Under the grant-in-aid now proposed by the State Government, 75 percent of the expenditure will be paid for the State Government and 25 percent will have to be borne by the institution concerned.
8. Statistics: Relevant statistics of the expenditure on private enterprise and its financial implications in Mysore State are given in Annexure I, II-A and II-B.

ANNEXURE I

Size and Significant Areas of Operation of Private Enterprise in Mysore State

Type of Institutions	1956-57						1961-62					
	Total Number of Private Educational Institutions			Percentage of Private Educational Institutions to Total Number of Institutions			Total Number of Private Educational Institutions			Percentage of Private Educational Institutions to Total Number of Institutions		
	For Boys	For Girls	Total	For Boys	For Girls	Total	For Boys	For Girls	Total	For Boys	For Girls	Total
1. Arts & Science Colleges	25	2	27	61.0 (41)	50.0 (4)	60.0 (45)	39	2	41	73.6 (53)	40.0 (5)	70 (5)
2. Professional Colleges (excluding commerce, law, Edn. & Phy. Edn.)	5	-	5	41.7 (12)	(-)	41.7 (12)	7	-	7	35.0 (20)	(-)	35 (2)
3. Commerce	3	-	3	75.0 (4)	(-)	75.0 (4)	5	-	5	83.3 (6)	(-)	83 (6)
4. Law Colleges	3	-	3	75.0 (4)	(-)	75.0 (4)	5	-	5	83.3 (6)	(-)	83 (6)
5. Education (including Phy. Edn.)	7	6	13	46.7 (15)	66.7 (9)	54.2 (24)	22	11	33	40.0 (55)	73.3 (15)	47 (7)
6. Secondary Education	219	67	286	49.3 (444)	73.6 (91)	53.5 (535)	451	95	546	60.3 (748)	74.8 (127)	62 (8)
7. Secondary Vocational Schools (excluding Commerce, Edn., Phy. Edn. Tech., Ind., Arts & Crafts)	2	1	3	8.7 (23)	14.3 (7)	10.0 (30)	5	1	6	13.2 (38)	7.1 (14)	11 (5)
8. Tech. Ind., Arts & Crafts Schools	5	5	10	16.7 (30)	62.5 (8)	26.3 (38)	3	1	4	10.0 (30)	50.0 (2)	12 (3)

	1	2	3	4	5	6	7	8	9	10	11	12	13
9. Commerce Colleges	95	-	-	95	99.0 (96)	- (-)	99.0 (96)	161	-	161	99.4 (162)	- (-)	99.4 (162)
10. Teachers' Training (including Phy.Edn.)	27	3	3	30	61.4 (44)	60.0 (5)	61.2 (49)	19	-	19	70.4 (27)	0.0 (1)	67.9 (28)
11. Special Education Colleges	5	-	-	5	71.4 (7)	- (-)	71.4 (7)	5	-	5	71.4 (7)	- (-)	71.4 (7)
12. Special Education Schools(Excluding Handicapped & Adult Education)	122	7	7	129	96.1 (127)	100.0 (7)	96.3 (134)	191	6	197	97.9 (195)	100.0 (6)	98.0 (201)
13. Schools for Handi- capped.	-	-	-	-	0.0 (2)	- (-)	0.0 (2)	1	-	1	33.3 (3)	-	33.3 (3)
14. Middle Schools	136	43	43	179	8.8 (1546)	19.5 (221)	10.1 (1767)	874	79	953	13.9 (6,285)	11.9 (663)	13.7 (6,948)
15. Primary Schools	4835	151	4986	24.4 (19,786)	12.1 (1,250)	23.7 (21,036)	2,740	123	2,863	12.9 (21,120)	14.4 (856)	13.0 (21,976)	13.0 (21,976)
16. Pre-Primary Schools	95	-	95	95.0 (100)	95.0 (100)	95.0 (100)	95.0 (100)	233	-	233	97.5 (239)	-	97.5 (239)

Source: Ministry of Education
Form A

GRANT-IN-AID TO PRIVATE EDUCATIONAL INSTITUTIONS

The present state of Orissa has been formed by the merger of a number of distinct units: (1) the districts of Balasore, Cuttack, Puri and Sambalpur, and the subdivisions of Angul & Khondmals taken from the old Bihar and Orissa Province; (2) the districts of Ganjam and Koraput and the Baliguda Division of Phalbari District taken from the old Madras State; and (3) the 24 Princely States which were merged in 1948-49. As may be anticipated, different sets of grant-in-aid rules prevailed in these different tracts. A uniform set of grant-in-aid rules for the entire State was, however, brought into force from 1953.

2. Extent of Private Enterprise: The extent of private enterprise in Orissa is high (on a three point scale - low, average and high). In 1956-57, the percentage of private educational institutions in Orissa to total was 59.2 (as against an average of 32.8 for the Indian Union). In 1960-61, it increased to 65.3 per cent as against the all-India average of 33.2 per cent.

3. One point must be mentioned here. Of the private institutions in Orissa State, the largest number are primary schools. For instance, in 1960-61, the number of private colleges was only 23; of secondary schools was only 430; of middle schools was only 1,290; but of primary schools was 16,832! With the establishment of Panchayat Raj, all primary schools (except a few government and mission schools) have been transferred to the control of Panchayat Raj Institutions. The number of private primary schools in Orissa is, therefore, very greatly reduced at present; and with this change, the total incidence of private enterprise in Orissa will not remain as large as it was in the past.

proportion of ~~private~~ educational institutions in Orissa for 1956-57 and 1961-62 are given in Annexure I.

4. Grants to Universities: There are two universities in Orissa at present - the Utkal University, and the University of Agriculture and Technology. Grant-in-aid to both these Universities is paid on a block basis.

5. Grant-in-aid to Arts and Science Colleges (Including Commerce): No grant-in-aid is paid to colleges in the first year of affiliation. From the second year, the grants-in-aid are paid on the basis of net deficit of the preceding year. This net deficit is calculated on the difference between the approved total expenditure of the institution according to the rules and the total income received from fees. Fees are prescribed by the University and cannot be changed. The grant payable to an institution in any given year is equal to two-thirds of the net deficit of the preceding year in the case of Arts and Commerce Sections and to full net deficit in the Science Sections and Women's Colleges. In addition, a college, which is in receipt of recurring grant, may also be given non-recurring grants on the following basis:-

- (a) For construction and improvement of buildings - 50 percent of the estimated or actual cost for Colleges of Arts and 66 percent for Colleges of Science; and
- (b) For equipment - 50 percent for Arts and 66 percent for Colleges of Science.

The grant-in-aid to Colleges is generally paid in two instalments. The first instalment, known as the advance grant, is paid in the beginning of the academic year and is roughly equal to 50 percent of the grant paid during the preceding year. The second instalment is paid towards the end of the financial

year after the grant due to the College has been assessed and finalised.

6. Grant-in-aid to Secondary Schools: Grant-in-aid to secondary schools is given on the following basis:

Recurring

(a) Boys High Schools in the old areas, namely the coastal Districts and District of Sambalpur do not get any recurring or non-recurring grant for the formative period of four years. They do not get any recurring or non-recurring grant for three years from the date of recognition. Thereafter, for a period of three years, they get the minimum grant/period is over, they are brought on to the admissible grant which is two-thirds of the net deficit.

(b) (b) High Schools in the ex-State areas, and in predominantly Adivasi and backward areas, receive admissible grant-in-aid at two-thirds of the net deficit, subject to budget provision, from the year of recognition of a Class or Classes.

(c) For Girls High Schools, net deficit grant is released as soon as a class or classes get recognition.

Non-recurring:

(d) For Boys High Schools, non-recurring grant is released at 50 percent of the estimated cost on the projects. For Girls High Schools, 60 percent grant is released for building projects and 50 percent for equipment.

There are two exceptions to the above rule:-

(a) In recent years, nearly 137 private High Schools have been taken over to Government management and net deficit grant to the schools is paid through the Inspector of Schools who is the agent of Government in the matter of management of these schools.

(b) Non-Government Higher Secondary Schools receive net deficit additional grant on account of the introduction of Higher Secondary Scheme.

7. Grant-in-aid to Middle Schools: The grant-in-aid rules prescribed for high schools are also applicable mutatis mutandis to middle schools. The ratio of financial assistance for Boys' Middle schools and Girls' Middle Schools is the same.

8. Grant-in-aid to Primary Schools: As stated above, the only private schools which now exist in Orissa are a few mission schools which did not want to be placed under the control of the Panchayat Samitis. These are paid grant-in-aid at two-thirds of the salaries of teachers.

9. General Observations: There are no Pre-Primary Schools in Orissa and the question of grant-in-aid to them has not, therefore, arisen so far. Similarly, all the training colleges and schools for teachers are conducted by Government and hence the question of grant-in-aid to them also does not arise.

ANNEXURE I

Size and significant Areas of Operation of Private Enterprise in Orissa

Type of Institutions	1956-57						1961-62					
	Total Number of Private Educational Institutions			Percentage of Private Educational Institutions to Total			Total Number of Private Educational Institutions			Percentage of Private Educational Institutions to Total		
	For Boys	For Girls	Total	For Boys	For Girls	Total	For Boys	For Girls	Total	For Boys	For Girls	Total
1. Arts & Science Colleges	5	-	5	38.5 (13)	- (1)	35.7 (14)	17	3	20	60.7 (28)	-	60.0 (5)
2. Professional Colleges (Excluding Law, Commerce- edn. Phy. Edn.)	-	-	-	- (4)	-	- (4)	2	-	2	28.6 (7)	-	-
3. Law Colleges	-	-	-	-	-	-	1	-	1	100.0 (1)	-	-
4. Commerce Colleges	-	-	-	-	-	-	-	-	-	-	-	-
5. Education Colleges (including Phy. Edn.)	-	-	-	- (2)	-	- (2)	-	-	-	- (14)	-	- (1)
6. Secondary Schools	192	6	198	72.5 (265)	46.2 (13)	71.2 (278)	418	12	430	86.0 (486)	-	29.3 (41)
7. Secondary Vocational (Excluding Tech. Indus- trial Arts & Crafts Commerce, Ed. Phy. Edn.)	3	-	3	33.3 (9)	-	33.3 (9)	2	-	2	16.7 (12)	-	-
8. Tech. Industrial, Arts & Crafts.	2	2	4	11.1 (18)	16.7 (12)	13.3 (30)	4	3	7	14.8 (27)	-	23.1 (13)

	1	2	3	4	5	6	7	8	9	10	11	12	13
9. Commerce Schools	1	1	-	1	50.0 (2)	-	50.0 (2)	1	-	1	50.0 (2)	-	50.0 (2)
10. Education Schools (including Phy. Ed.)	1	1	1	2	2.3 (43)	50.0 (2)	4.4 (45)	1	1	2	1.3 (77)	20.0 (5)	2.4 (82)
11. Special Edn. Colleges	1	-	-	1	33.3 (3)	-	33.3 (3)	4	-	4	66.7 (6)	-	66.7 (6)
12. Special Edn. Schools 141 (Excluding Adult & Handicapped)	141	6	6	147	89.2 (158)	75.8 (8)	88.6 (166)	146	11	157	90.7 (161)	91.7 (12)	90.8 (173)
13. Schools for the Handicapped.	-	-	-	-	(1)	-	(1)	-	-	-	(1)	-	(1)
14. Middle Schools	453	31	31	484	67.3 (673)	62.0 (50)	66.9 (723)	1,198	92	1,290	80.8 (1,483)	76.0 (121)	80.4 (1,604)
15. Primary Schools*	10,391	100*	100*	10,491*	64.9* (16,021)	45.9* (218)	64.6* (16,239)	16,653	179	16,832	74.1 (22,478)	72.3 (248)	74.1 (22,726)
16. Pre-Primary Schools	-	-	-	-	-	-	-	-	-	-	-	-	-

*Includes Ashram & Sevashram Schools.

Source: Ministry of Education
Form A

~~Annexure to Private Educational~~
Institutions

In the area of the Punjab State proper, grants-in-aid to schools were given under the Punjab Education Code (Chapter III). In the PEPSU area, each princely State had its own set of rules of grant-in-aid which, however, were unified after the formation of PEPSU. When the present Punjab State was formed with the merger of the old States of Punjab and Pepsu, the Punjab Code continued to apply to the area of the old Punjab State and the Pepsu Code to the Pepsu area. On 1st April, 1960, however, the Punjab Education Code was extended to the Pepsu area also and a uniform system of grant-in-aid was introduced for all parts of the State. The Punjab Advisory Board of Education appointed a Committee to consider a revision of the Grant-in-Aid Rules (1959). The report of the Committee has since been submitted and is under consideration of Government.

2. Extent of Private Enterprise: In Punjab, the extent of private enterprise is low (on a three-point scale- low, average and high). In 1956-57, the percentage of private educational institutions to total was only 7.9 as against 32.8 for India as a whole. In 1960-61, this fell to 7.4 as against 33.2 for India as a whole. The policy adopted by the State is to place a greater reliance on State enterprise. In Government institutions, education is free till the end of class VIII. Even at the secondary stage, there is a policy of liberal fee concessions and the declared ultimate goal of State policy is to make education free till the end of the secondary stage. The grants-in-aid given to private institutions are also not very liberal. Consequently, private enterprise has not thrived in the State. Several private managements find it difficult to continue their schools, partly because of the difficulty

from the free (or largely free) Government schools. The State has also a policy of taking over such private schools as apply for nationalisation and a specific scheme to this end has been included in the Third Five Year Plan of the State. The number of private schools is, therefore, gradually diminishing.

The relevant statistics on this subject are given in Annexure I.

3. Grants-in-aid to Universities: There are four Universities in the State - the Panjab University at Chandigarh, the Panjabi University at Patiala, the Kurukshetra University at Kurukshetra and the Agricultural University at Ludhiana. The grants-in-aid to Universities are given on a block basis.

4. Grants-in-aid to Colleges of General Education: All affiliated colleges are eligible for maintenance grant on the basis of their deficits i.e. the difference between the expenditure on staff and contingencies and income from fees during the previous year. But Government reserves the right to determine the number of colleges which are to receive grant-in-aid. All colleges are treated on the same basis and no special treatment is shown to any, except women's colleges and those situated in rural areas which are considered for a special grant (not exceeding Rs. 3000/- per annum) for capital expenditure.

The grant-in-aid to an individual college is subject to the availability of funds which are distributed in proportion to the deficit. No definite percentage for this purpose has been fixed. The usual system is that, each year, the total deficit of all colleges on the grant-in-aid list is calculated and the funds provided for the purpose in the State budget are distributed to all colleges on a pro-rata basis. In

to colleges of general education was Rs. 7.92

lakhs and it worked out roughly to 25 per cent of their total deficit.

The grant-in-aid is paid in one lump sum towards the end of the year.

The payment of grant is subject to the following conditions:-

- (a) The members of the staff are paid the same scales of pay as are obtainable for their counterparts in Government service, and scales of fees levied are also the same as in Government Colleges.
- (b) The benefits which are at present available to the staff are not curtailed or withdrawn.
- (c) A certified audited statement of income and expenditure is submitted before the grant is released.
- (d) The colleges are expected to maintain good standard of discipline amongst students and also desist from taking part in communal and sectarian activities.

5. Grants-in-aid to Secondary Schools: In order to earn grant-in-aid, a secondary school has to be permanently recognised and borne on the grant-in-aid list. A secondary school which gets permanent recognition, is not immediately entitled to grant-in-aid. In actual practice, secondary schools have to wait for considerable time until they come on the grant-in-aid list. During the period when they are permanently recognised but not borne on the grant-in-aid list, some special grants may be paid to them subject to availability of funds. If funds are available, even provisionally recognised schools may be paid some special grants.

The grants-in-aid payable to secondary schools are of four types: (1) block grants; (2) staff grants;

House grants.

(1) Block grants are calculated on the basis of average attendance for the preceding three years at Rs.24/- per pupil for boys and Rs.48/- for girls in 9th and 10th classes.

(2) Staff grants are based at one-third of the salary paid to the trained staff. Superannuated trained staff employed with the previous sanction of the Department is also eligible for staff grant. For the purpose of working out the staff required in a particular school, the staffing pattern in Government schools is taken as a model.

N.B. (a) It may, however, be added that the total of the block and staff grants earned by a school should not exceed 3/4th of the deficit calculated as the difference between the approved expenditure on salaries of teaching staff, clerical staff and class IV servants and contingencies, including assessed or actual rent, etc. and the income from prescribed tuition fees.

(b) The schools are graded according to their efficiency and maintenance of discipline and reputation, and cuts are applied according to the grade in which an institution is put. But no school is paid less than 75% of the earned grant calculated as above.

(3) The grant in respect of Standard Provident Fund is paid at 50% of the contribution made by the management to the deposits in this fund in respect of trained teaching and clerical staff.

(4) Boarding House grants are also paid to the extent of 3/4th of the deficit of approved expenditure over income from Boarding House Fees.

It may be further stated that the maximum ceiling of grant-in-aid which a Secondary School may earn is Rs. 6,000/- per annum.

There is a proposal under consideration of the Department for raising -

(i) the block grant from Rs. 24/- to Rs. 30/- per pupil in

the case boys and Rs.60/- in the case of girls in classes IX and X and Rs. 40/- and Rs. 80/- respectively in class XI;

(ii) the maximum earned grant (block plus staff) from 75% to 90% of the difference between approved expenditure and income from fees. The rates of contingencies and rent etc. are also being raised by 50%; and

(iii) the maximum ceiling from Rs. 6000/- to Rs.9000/- in the case of High Schools and Rs. 12,000/- in the case of Higher Secondary Schools.

6. Grants-in-aid to Middle Schools: The rules in respect of secondary schools also apply to Middle schools. However, the rates of Block grants are as under:-

(i) Rs. 8/- per pupil (in the case of boys) and Rs.16/- for girls in Middle classes in schools where English is not taught; and

(ii) Rs. 16/- per pupil (Boys) and Rs.32/- per pupil (Girls) in Middle classes in schools where English is taught as a compulsory subject.

In the revised rules, which are under consideration, the rates of the Block grant will be uniform for all types of middle schools viz., Rs. 16/- for boys and Rs. 32/- for girls.

7. Grants-in-aid to Primary Schools: The rules in respect of secondary schools also apply to primary schools. However, the rates of Block grant are as under:-

(i) Rs.3/- per pupil (Boys) in classes I & II

(ii) Rs.5/- per pupil (Boys) in other classes

(iii) Rs.6/- per pupil (Girls) in classes I, II and III

(iv) Rs. 10/- per pupil (Girls) in other classes.

In the revised rules, which are under consideration, the rates of Block grant will be Rs.5/-,

(ii), (iii) and (iv) respectively.

8. Grants-in-aid to Pre-Primary Schools: No grant-in-aid is paid to any pre-Primary school, since no rules for the recognition and payment of grant-in-aid to such schools have so far been framed.

9. Grants-in-aid to Training institutions: The training colleges are paid grants-in-aid under the same rules as apply to colleges of general education. In so far as training schools are concerned, the policy of the Government is not to allow private enterprise in this sector. The question of grant-in-aid does not, therefore, arise.

Size and Significant Areas of Operation of Private Enterprise in the Punjab State during 1961-62.

Type of Institution	Total number of Private Educational Institutions			Percentage of Private Educational Institutions to total number of institutions		
	Boys	Girls	Total	Boys	Girls	Total
1. Arts & Science Colleges	56	13	69	73.7 (76)	61.9 (21)	71.1 (97)
2. Professional Colleges (excluding Commerce, Law, Education and Physical Education)	7		7	38.9 (18)	- (-)	38.9 (18)
3. Law Colleges	1		1	100.0 (1)	- (-)	100.0 (1)
4. Commerce Colleges	1		1	50.0 (2)	- (-)	50.0 (2)
5. Education (including Colleges of Physical Education)	13	4	17	61.9 (21)	66.7 (6)	63.0 (27)
6. Secondary Schools	506	170	676	34.4 (1140)	48.4 (351)	45.3 (1491)
7. Secondary Vocational Schools (Excl. Commerce, Education, Physical Edn. and Technical, industrial, Arts and Crafts Schools)	9	4	13	25.7 (35)	18.2 (22)	22.8 (57)
8. Technical, Industrial, Arts & Crafts Schools.	1	23	24	3.8 (26)	40.0 (58)	28.6 (84)
9. Commerce Schools	-	-	-	-	-	-
10. Teachers' Trng. Schools (including Physical Edn)	4	9	12	26.7 (15)	47.1 (14)	41.4 (29)
11. Special Edn. Colleges	1	-	1	25.0 (4)	0.0 (1)	20.0 (5)
12. Special Education Schools (Excl. Adult Edn. and Edn. of Handicapped)	-	-	-	0.0 (4)	-	0.0 (4)
13. Schools for Handicapped	6	-	6	85.7 (7)	- (-)	85.7 (7)
14. Middle Schools	69	74	143	4.8 (1195)	17.7 (419)	8.9 (1614)
15. Primary Schools	209	92	298	2.0 (10,297)	3.0 (3070)	2.3 (13,367)
16. Pre-Primary Schools	-	-	-	(-) (-)	0.0 (8)	0.0 (8)

1. Extent of Private Enterprise: The extent of private enterprise in education in Rajasthan is comparatively limited. It is also not expanding very rapidly. In 1950-51, the total number of private educational institutions was 737 out of a total of 6,027 or 12.2 per cent. In 1961-62, the total number of private educational institutions increased to 778 out of a total of 28,319 or 2.5 per cent. In other words, although the total number of private educational institutions showed a small increase of 41 only, their number in the total went down from 12.2 per cent in 1950-51 to 2.5 per cent in 1961-62!

The policy adopted by the erstwhile princely States (out of which the present Rajasthan has emerged) was generally to discourage private enterprise. In the post-Independence period, there has been a vigorous effort to expand State enterprise in education. This was perfectly justified in view of the urgent need to develop education in Rajasthan. But its one undesirable effect was to stifle the growth of private enterprise, in spite of the fact that a good deal of encouragement has been offered to it in the last 15 years. For instance, it was shown above that in the 12 years between 1949-50 and 1960-61 the total increase in private educational institutions has been only 41. According to types of institutions, this increase may be divided as follow:-

	1950-51	1961-62	Increase or decrease
1. Colleges of general education	10	21	+ 11
2. Colleges of Professional Education	4	11	+ 7
3. Colleges of Special Education	2	12	+ 10
4. Secondary Schools	71	128	57
5. Middle Schools	154	167	13
6. Primary Schools	387	350	- 37
7. Nursery Schools	Nil	11	11
8. Schools of Professional Edn.	1	3	2
9. Schools of Special Education	106	73	- 33

It will be seen that the main increase has taken place in colleges (28) and secondary schools (57). The increase in middle schools and pre-primary schools is small. The main decreases have taken place under primary schools and schools for special education.

The statistics of private educational institutions in 1950-51 and 1961-62 are given in Annexure I.

2. Rules of Grant-in-Aid: Prior to 1949, each of the integrating States had its own rules of grant-in-aid. Soon after the creation of Rajasthan, a common set of grant-in-aid rules applicable to the State as a whole was formulated. This was revised in 1956 and the revised rules remained in force till 1962-63. With effect from 1963-64, a new set of grant-in-aid rules have been introduced. Some further modifications to these rules, however, are under consideration at present.

3. Grant-in-Aid Committees: An interesting feature of the grant-in-aid system in Rajasthan is the establishment of the Grant-in-Aid Committee. This Committee consists of the Director of Primary & Secondary Education (Convenor), the Director of College Education, the Chairman of the Board of Secondary Education, a representative of the Education Department, a representative of the Finance Department, the Director of Sanskrit Education, the Director of Technical Education, the Deputy Director of Education of each range (when proposals concerning his range are being considered) and 3 eminent non-official educationists. This high-level committee considers all new applications for grant-in-aid and also all applications demanding grant-in-aid at a higher rate. Applications for non-recurring grants can be sanctioned by the Director of Education concerned up to a limit of Rs. 25,000; but if the amount of aid is more than Rs. 25,000 but less than Rs. 50,000, the matter has to be placed before the Grant-in-Aid Committee.

But once the Committee has approved a new application for grant-in-aid, or fixed the rate of grant-in-aid for an institution, all further recurring grants are sanctioned by the Director of Education concerned without reference to the Committee. Needless to say, Government seeks the advice of the Grant-in-Aid Committee whenever proposals regarding amendment to rules of grant-in-aid are to be considered.

4. Principles of Grant-in-Aid: The Grant-in-Aid Rules prescribe the conditions for grant-in-aid for different types of educational institutions on the generally accepted lines. They also lay down that the grant-in-aid committee shall divide all institutions in receipt of grant-in-aid into five categories - D, C, B, A and Special. The amount of grant-in-aid is based on the "approved expenditure" of the institution and depends upon the category assigned to it as shown below:-

<u>Category</u>	<u>Amount of Grant-in-Aid</u>
D	50% of approved expenditure
C	60% of -do-
B	70% -do-
A	80% -do-
Special	90% -do-

Detailed instructions are laid down for defining the approved expenditure. It may also be said that the terms and conditions are fairly liberal. There is also a condition that the total grant-in-aid payable to an institution shall not exceed the difference between the 'approved expenditure' taken into account and 'the income from fees and other recurring sources' during the same year. In calculating income from fees and other recurring sources, no account is taken of the income from interest on reserve fund or rent of properties

higher than the Government rate, to the extent of the actual excess realised. In other words, the private schools in Rajasthan have the liberty to charge fees at rates higher than in Government institutions and to utilise the proceeds thereof for maintaining better standards. If they charge higher fees, therefore, they do not suffer a diminution in grant-in-aid due from Government. This is an extremely valuable freedom which the voluntary organisations need. Provisions like this should, therefore, be adopted by other States as well.

Non-recurring grants are sanctioned for buildings, special repairs, purchase of equipment and furniture, and library books at a rate not exceeding 50 per cent of the total approved expenditure.

The classification of institutions in the different categories is done on the basis of several objective criteria laid down such as staff, buildings, equipment, results, etc.

5. Authority to Sanction Grants: Non-recurring grants not exceeding Rs. 25,000 can be sanctioned by the Director of Education concerned. When the amount of the non-recurring grant exceeds Rs. 25,000, but is less than Rs. 50,000, a reference to the Grant-in-Aid Committee is not necessary before the grant is sanctioned by the Director of Education concerned.

Recurring grants are to be sanctioned by the Director of Education concerned. But when the institution has applied for grant-in-aid for the first time, the application needs the approval of the Grants-in-Aid Committee. The rate of grant-in-aid for a given institution is also fixed by the Grant-in-Aid Committee and can be altered only after consulting the Committee.

6. Assessment and Payment of Grants-in-Aid:

Generally grants are assessed on the basis of the

expenditure incurred in the previous financial year. In special cases (e.g. when a new course or class is started or a new experiment or project is undertaken or an institution has to face serious financial handicaps) grants may be sanctioned on the basis of the current year's budget.

On the basis of the amount of grant-in-aid sanctioned in the previous year, 1/12th of the grant is paid to the institution every month, subject to adjustment, until the current year's grant is sanctioned. This practice is of great help to the institutions and does not create accounting complications or problems.

7. Special Features: One important feature of the Rajasthan Grant-in-Aid Rules is that grants are given at the same rate for all types of educational institutions - from pre-primary to post-graduate. This is rather arbitrary and unrealistic. It would, therefore, be better if an attempt is made to adjust the principles of grant-in-aid to the special requirements of the different types of educational institutions.

Another important feature of the Rajasthan system is the division of educational institutions into five different categories. This is certainly better than the system under which a flat rate of grant-in-aid is given to all institutions, irrespective of standard. But the Rajasthan system also has its own problems. In spite of the fact that these rules have been in force for some time, it has not yet been possible to evolve very satisfactory criteria for the classification of institutions into different categories. There can always be differences of opinion regarding the classification of any given institution; and a good

institutions compare their categories with each other.

Allegations of favouritism or political pressures are also made in some cases. It appears, therefore, that a more earnest attempt will have to be made to evolve fairly objective criteria for the classification of private educational institutions into different categories. If this cannot be done, the rules will always come in for criticism.

Reference has already been made to the establishment of a State level Grant-in-Aid Committee which is a unique and valuable feature worthy of adoption by other States.

ANNEXURE I

Private Educational Institutions in Rajasthan

(1950-51 and 1961-62)

	1950-51	1961-62
1. Universities	1	1
2. Boards of Education	1	1
3. Colleges of General Education	10	21
4. Colleges of Professional Education	4	11
5. Colleges of Special Education	2	12
6. Secondary Schools	71	128
7. Middle Schools	154	167
8. Primary Schools	387	350
9. Nursery Schools	-	11
10. Schools for Special Education	106	73
11. Schools of Professional Education	1	3
	<u>737</u>	<u>778</u>

ANNEXURE II

Some Important Statistics Regarding Grant-in-Aid to Private Educational Institutions in Rajasthan (1961-62)

Name of Institution	Total Cost Per Pupil			Cost to Govt. Per Pupil			Fee Collected Per Pupil		
	In Govt. Institutions	In Private Institutions	In Unaided Private Institutions	In Govt. Institutions	In Private Institutions	In Unaided Private Institutions	In Govt. Institutions	In Private Institutions	In Unaided Private Institutions
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Colleges of Arts and Science	471.3	344.3	776.3	403.2	173.8	Nil	67.0	76.3	198.8
Professional Colleges									
a) Commerce Colleges	318.2	353.7	Nil	264.0	155.5	Nil	54.2	75.3	Nil
b) Colleges of Education	1123.4	572.7	Nil	1050.2	271.1	Nil	73.2	197.3	Nil
c) Other Colleges	1577.1	1007.3	Nil	1381.7	211.0	Nil	167.8	441.3	Nil
Secondary Schools	124.7	125.3	226.4	115.0	61.3	Nil	9.2	30.6	140.0
Vocational Schools									
(a) Technical, Industrial and Arts & Crafts	614.6	565.4	Nil	610.3	315.5	Nil	0.7	121.1	Nil
(b) Teacher Training	555.7	202.1	Nil	524.2	93.8	Nil	24.7	85.7	Nil
(c) Others	1326.4	Nil	Nil	1206.7	Nil	Nil	119.6	Nil	Nil
Special Education Colleges	353.7	297.7	268.9	350.5	222.4	Nil	2.9	1.9	Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
6. Special Education Schools (excluding Adult Education and Handicapped)	96.2	91.8	70.6	93.3	45.8	Nil	2.6	2.5	3.7
7. Schools for the Handicapped	455.0	Nil	Nil	452.8	Nil	Nil	Nil	Nil	Nil
8. Middle Schools	61.1	56.9	41.3	59.6	27.6	Nil	1.3	9.8	7.1
9. Primary Schools	35.5	42.1	33.9	35.1	22.6	Nil	0.3	4.7	14.6
10. Pre-Primary Schools	126.3	62.6	Nil	86.6	17.9	Nil	39.7	22.3	Nil

Source: Ministry of Education
Form A.

GRANT-IN-AID RULES

1. Colleges of General Education: These are governed by para 319 of the State Educational Code which is reproduced below:-

"The maintenance grant to a Degree College shall not exceed (a) half of the approved tuitional expenditure of the college or (b) the difference between the recurring approved expenditure for the year and the recurring approved income for the year excluding Government grant, whichever is less".

2. Colleges of Commerce: There are no separate grant-in-aid rules for colleges of Commerce. Commerce is usually a faculty in a Degree college and is given grant-in-aid as a part of a Degree College according to the rule stated under colleges of General Education.

3. Professional Colleges: There are no separate rules in respect of Professional Colleges in the Education Department. The rules for Degree Colleges are applicable therein as already mentioned under colleges of General Education. For example, Agriculture is usually a faculty of a Degree College and is aided accordingly.

4. Colleges and Schools of Special Education - Oriental Education: These are governed by para 321 (iii) of the State Educational code which is reproduced below:

"The annual grant shall ordinarily not exceed one-half of the whole tuitional expenditure on the institution. No charges on account of managements or of buildings and repairs, except petty repairs may be included as tuitional expenditure".

5. Secondary Schools: This is governed by para 308 of the State Educational Code which is reproduced below:-

"The annual grant shall not exceed the difference between the approved annual cost of maintenance and approved income of the institution from fees and private sources, or half the annual cost of maintenance, whichever is less."

Note (1) - The cost of maintenance may include (a) a valuation of the tuitional services of a missionary, whose name does not appear in the list of salaried teachers, the value being taken at the sum which a salaried teacher would receive for teaching of a similar character and

amount. (b) Contribution to a Provident Fund: (c) Contribution to a reserve fund provided that such reserve fund is not thereby raised beyond the following limits by contribution from the school income.

For a Higher Secondary School having) Rs. 5000
classes upto XII)

6. Professional and Vocational Schools: There are no separate grant-in-aid rules for such schools, such as training schools. These are governed by para 308 of the State Educational Code for Secondary and other institutions in general, as given under the heading of Secondary Schools.
7. Middle Schools: These are governed by the same rules as for institutions in general, viz. para 308 of the State Educational Code, given under the heading of Secondary Schools.
8. Primary Schools: These are governed by the same rules as for institutions in general viz. para 308 of the State Educational Code given under the heading of Secondary Schools. It may be noted here that Primary Schools under the Local Bodies are aided by the State Government as a part of its aid to the Local Bodies for educational purposes and the aid is arrived at by other procedures.
9. Pre-Primary Schools: These are governed by the same rules as for institutions in general viz. para 308 of the State Educational Code given under the heading of Secondary Education.
10. Professional Colleges - Training Colleges: This is governed by para 320 of the State Educational Code which is reproduced below:-

"320 - Grant-in-aid payable to the non-Government Training Colleges will be subject to the conditions prescribed in this chapter. It will be assessed in accordance with para 319 above. In addition to it will be subject to the continued fulfilment of the following conditions:-

- (a) The staff of the aided training college shall be appointed in accordance with paragraph IV of conditions of service.

- (b) No person shall be appointed on the teaching staff of the training college without the previous approval of the Dy. Director/Regional Inspector in the case of training college for C.T. course and of the Director of Education in the case of training college for E.T. course and no teacher shall be dismissed, removed, discharged or reduced in rank without the prior approval of the Director of Education.
- (c) The number of candidates to be admitted and the method of selection for admission shall be as may be laid down by the Education Department from time to time, one of the conditions being that five candidates may be nominated by Govt. for admission to each training college.
- (d) The grant may be suspended, withdrawn or reduced at any time by the Education Department.
- (e) Full freeships upto 10% and half freeships upto 15% of the total number of students on roll may be awarded on the basis of merit and poverty."

For a Higher Secondary School having) Rs. 3,000
classes upto X)

For a Senior Basic (Junior High) School - Rs. 1,000

Note (2) - The reserve fund is ordinarily intended to meet sudden emergencies and shall not be drawn upon except with the permission of the Inspector. The reserve fund when it has reached the maximum permissible may also be used with the permission of the Inspector for periodical, not annual replacement of furniture and equipment and the supplementary additions thereto which may not form part of the recurring annual expenditure but no contribution from the reserve fund shall be reckoned to form part of the management contribution under paragraph 304 of the Code. Interest on reserve fund shall be regarded as school income and should be shown in the manager's Return as such.

(3) - Recovery of the amount of grant received by an institution: If a grant-in-aid has been paid in excess of the amount admissible under the above rule, then a particular amount can be recovered provided that both the following conditions are fulfilled:

- (1) The amount of the grant-in-aid exceeds half of the approved annual expenditure; and

- (2) the balance with the institution at the end of the year in question exceeds one eleventh of the approved annual expenditure of the institution.

The particular amount to be thus recovered will correspond to the closing balance minus one eleventh of the approval annual expenditure.

- (4) - In the case of institution for girls, the department is authorised with the concurrence of the Finance Department of Government for special reasons, to relax this rule so as to allow institutions for girls an annual grant upto but not exceeding two-thirds of the approved annual cost of maintenance.

ANNEXURE I

Size and Significant Areas of Operation of Private Enterprises in Uttar Pradesh State

	1956-57				1961-62			
	Total Number of Private Educational Institutions		Percentage of Private Educational Institutions to Total Number of Institutions		Total Number of Private Educational Institutions		Percentage of Private Educational Institutions to Total Number of Institutions	
	For Boys	For Girls	Total	For Boys	For Girls	Total	For Boys	For Girls
Arts & Science Colleges	58	9	67	55.1 (61)	100.0 (9)	116	22	138
Professional Colleges Excluding Commerce, Law, Edn. & Phy. Edn.)	13	-	13	65.0 (20)	- (-)	19	-	19
Law Colleges	-	-	-	-	-	1	-	1
Commerce Colleges	1	-	1	100.0 (1)	-	-	-	-
Education (Including Phy. Edn.)	5	5	10	38.5 (13)	50.0 (16)	6	5	11
Secondary Schools	1,177	176	1,353	50.8 (1,250)	74.3 (237)	1,451	239	1,690
Secondary Vocational Schools (excluding Commerce, Edn. Phy. Edn. & Tech. Indus. Arts & Crafts)	17	-	17	53.1 (32)	-	25	-	25

1	2	3	4	5	6	7	8	9	10	11	12	13
8. Tech. Indus. & Arts & Crafts Schools	15	22	37	41.7 (36)	78.6 (28)	57.8 (64)	26	38	64	44.1 (59)	90.5 (42)	63.4 (101)
9. Commerce Schools	-	-	-	-	-	-	-	-	-	-	-	-
10. Teachers' Training Schools (Including Pry. Education)	33	5	38	41.3 (80)	29.4 (17)	39.2 (97)	33	7	40	23.9 (138)	23.3 (30)	23.8 (168)
11. Special Education colleges	7	-	7	77.8 (9)	-	77.8 (9)	11	-	11	91.7 (12)	-	91.7 (12)
12. Special Education Schools (excluding Adult Edn. & Edn. of the Handicapped)	1,123	8	1,131	97.1 (1,157)	72.7 (11)	96.8 (1,168)	1,040	14	1,054	98.5 (1,056)	93.3 (15)	98.4 (1,071)
13. Schools for the Handicapped	13	1	14	76.5 (17)	100.0 (1)	77.8 (18)	17	1	18	77.3 (22)	100.0 (1)	78.3 (23)
14. Middle Schools	1,051	144	1,195	32.5 (3,238)	26.3 (548)	31.6 (3,786)	1,333	172	1,505	34.6 (3,855)	24.0 (716)	32.9 (4,571)
15. Primary Schools	2,082	251	2,333	6.9 (30,322)	8.4 (2,999)	7.0 (33,321)	1,951	312	2,263	48.7 (40,095)	49.2 (6,337)	48.7 (46,432)
16. Pre-Primary Schools	23	5	28	55.2 (7)	50.0 (10)	75.7 (7)	67	24	91	85.9 (78)	51.1 (47)	72.8 (125)

Source: Ministry of Education
Form A

Grant-in-aid to Private Educational Institutions:

In West Bengal, the tradition of private enterprise is very old and very strong. In 1956-57, the percentage of private educational institutions to total was 29.6 (as against 32.8 per cent in the Indian Union) and in 1960-61, it rose to 36.3 (as against 33.2 in the Indian Union).

In Annexure- I is given the data regarding the private educational institutions in West Bengal in 1956-57 and 1961-62. It will be seen therefrom that in West Bengal, in 1961-62, 90.2 per cent of the colleges of Arts and Science were conducted by private enterprise. Similarly 97.6 per cent of the secondary and middle schools were also conducted by private enterprise. On the whole, it may be said that the incidence of private enterprise in West Bengal is average - on a three-point scale of low, average and high.

Grant-in-aid to Colleges:

For purposes of grant-in-aid, the colleges in West Bengal are divided into four categories:-

- (1) Sponsored colleges:
- (2) Aided colleges receiving permanent grant;
- (3) Aided colleges receiving lump-sum grant, and
- (4) Aided colleges receiving both permanent and lump-sum grants.

At present, there are 53 sponsored colleges; 23 colleges receive permanent grant; 31 colleges receive lump-sum grants and 54 colleges receive both permanent and lump-sum grants.

In sponsored colleges, the government's grant is equal to the entire deficit. The authorities of the college have to submit budget estimates on approved items of income and expenditure for approval to the State Government in a prescribed form along with an audit report on the account of the preceding year. The budget estimates are then approved by the Government, with or without modifications, and the grant-in-aid is equal to the deficit in the approved budget estimates.

The permanent grant given to colleges is decided on an ad hoc basis and is not related to the deficit. This was the main system of grant-in-aid in the pre-independence period and it is still being continued.

A number of colleges are given lump-sum grants which cover above 50-60 per cent of the deficit.

As stated above, there are a number of colleges which are in receipt of both permanent and lump-sum grants, which when taken together, enable them to meet 50-60 per cent of their deficit.

Grants to colleges are paid twice a year. An advance instalment is paid in the beginning of the year and the second instalment when the grant is finally assessed.

Grant-in-aid to Secondary schools:

The secondary schools in West Bengal also include the middle schools classes.

The grant to secondary schools is given on a deficit basis and the Government meets the entire deficit of the school. This system was introduced in 1948-49 and is in vogue to this day. The total expenditure of the school is calculated in accordance with the rules which regulate the staff to be appointed and the scales of pay and allowances. Non-teacher costs are permitted up to a limit of one-third of the total cost on account of salaries and allowances of teachers. The income is calculated at the prescribed rate of fees, after allowing for fee concessions according to rules. The net deficit of the school is then determined at the difference between the approved expenditure and the approved income.

The schools have the freedom to charge fees at rates higher than the prescribed ones and use the funds thus raised for improving the schools. But this privilege is very rarely used by the schools.

Grant-in-aid to Junior High Schools:

The junior high schools in West Bengal may have two, three or four classes. Rules have been prescribed in regard to the staff to be appointed for each of these three types of schools.

Lump sum grants are paid to junior high schools at the following rate:-

Boys' School

2-Class	...	Rs.	720/-
3-Class	...	Rs.	900/-
4-Class	...	Rs.	1,080/-

Girls' School

2-Class	...	Rs.	960/-
3-Class	...	Rs.	1,200/-
4-Class	...	Rs.	1,440/-

Besides, lump grants audit fee at the rate of Rs.40/- is paid to 2-Class and 3-Class Junior High Schools and for 4-Class Junior High School audit fee is paid at the rate of Rs.60/-. For each additional Section an additional grant @ Rs.180/- is paid to the Junior High Schools for Boys' and for Girls' Junior High Schools for each additional section an additional grant of Rs.240/- is paid.

Over and above, an additional grant is sanctioned to the schools for making payment to the qualified teachers according to the revised pay scales introduced from the 1st April, 1961.

Grants-in-aid to secondary schools in West Bengal are paid in two instalments.

Grant-in-aid to Primary Schools:

Grants-in-aid to primary schools - both recurring and non-recurring are given by District School Boards. The capital grants do not ordinarily exceed Rs.1,000 per school. The recurring grants are based on deficit. That is to say, the recurring grant to school is equal to the difference between its "approved scale of expenditure" and

its total income from all sources including fees.

Grant-in-aid to Technical Institutions:

All private technical institutions in West Bengal are treated as sponsored. That is to say, the grant-in-aid to these institutions is equal to the entire deficit...

Grant-in-aid to Institutions for Handicapped Children:

Some of the existing institutions for the education of handicapped children are sponsored institutions, others are aided on an ad-hoc basis.

ANNEXURE I

Size and Significant Areas of Operation of Private Enterprise in West Bengal

Type of Institution	1956-57													1961-62			
	Total number of Private Educational Institutions		Percentage of Private Edl. Insts. to total No. of Institutions		Total number of Private Educational Institutions		Percentage of Private Edl. Insts. to total No. of Institutions										
	For Boys	For Girls	Total	For Boys	For Girls	Total	For Boys	For Girls	Total	For Boys	For Girls	Total					
Arts & Science Colleges	73	17	90	86.9 (84)	89.5 (19)	87.4 (103)	89	32	121	89.0 (100)	94.1 (34)	90.1 (13)					
Professional Colleges (excluding Commerce, Law, Adm. & Phy. Edn.)	11	-	11	47.8 (23)	- (-)	47.8 (23)	11	-	11	44.0 (25)	- (-)	44.0 (25)					
Commerce Colleges	-	-	-	11 (1)	- (-)	11 (1)	6	-	6	85.7 (7)	- (-)	85.7 (7)					
Law Colleges	1	-	1	100.0 (1)	- (-)	100.0 (1)	1	-	1	100.0 (1)	- (-)	100.0 (1)					
Education (incl. Phys. Ed.) Colleges	1	-	1	16.7 (6)	1 (1)	14.3 (7)	12	4	16	75.0 (16)	80.0 (5)	76.6 (21)					
Secondary Schools	1,331	305	1,636	97.7 (1363)	96.2 (317)	97.4 (1680)	1,572	443	2,015	97.9 (1,606)	96.7 (458)	97.1 (2,064)					
Vocational Schools	21	-	21	61.8 (34)	- (2)	58.3 (36)	23	-	23	62.2 (37)	0.0 (2)	59.4 (39)					
Commerce, Edn., Phy. Ed., Tech., Ind. Arts & Crafts																	

	1	2	3	4	5	6	7	8	9	10	11	12
8. Tech., Ind., Arts & Crafts Schools	43	63	106	57.3 (75)	100.0 (63)	76.8 (138)	51	73	124	63.0 (81)	94.8 (77)	
9. Commerce Schools	54	1	55	100.0 (54)	100.0 (1)	100.0 (55)	73	1	74	100.0 (73)	100.0 (1)	
10. Teachers Training (incl. Phy. Ed.) Schools	5	8	13	11.4 (44)	80.0 (10)	24.1 (54)	7	10	17	13.0 (54)	83.3 (12)	
11. Special Ed. Colleges	6	3	9	75.0 (8)	100.0 (3)	81.8 (11)	6	4	10	75.0 (8)	100.0 (4)	
12. Special Ed. Schools (excl. Handicapped & Adult)	975	36	1,011	98.2 (993)	94.7 (38)	98.1 (1,031)	1,068	33	1,101	98.5 (1,084)	91.7 (36)	
13. Schools for Handicapped	8	-	8	100.0 (8)	- (-)	100.0 (8)	10	-	10	100.0 (10)	- (-)	
14. Middle Schools	1,472	220	1,692	92.6 (1,590)	95.7 (230)	93.0 (1,820)	1,976	436	2,412	97.2 (2,033)	99.3 (439)	
15. Primary Schools	2,892	570	3,462	11.9 (24,307)	61.0 (934)	13.7 (25,241)	4,685	606	5,291	15.8 (29,564)	62.4 (971)	
16. Pre-Primary Schcols	19	10	29	90.5 (21)	100.0 (10)	93.5 (31)	101	14	115	98.1 (103)	93.3 (15)	

Source: Ministry of Education
Form A